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ABSTRACT

To review tuition procedures for nonresident students of Montgomery County (Maryland) Public Schools, this report evaluates policies and regulations and offers recommendations for improvement. An introductory chapter sets forth the scope of review by the internal audit staff. Review involved analysis of requests for tuition waivers and waiver request files, financial records on tuition collections, pupil enrollment records, and selected student files. The audit staff discussed issues with county officials, interviewed school officials, and reviewed tuition policies in adjacent counties. Findings, conclusions, and recommendations consider the three criteria of residency, guardianship, and student crisis in chapters 3, 4, and 5. In chapter 6, issues are identified in relation to international students' visa status. School procedures that identify nonresident students are enumerated in chapter 7. Chapter 8 describes the collection of nonresident tuition, which highlights the need for modifying program procedures, as illustrated in chapter 9. Additional policy questions outside the audit's scope, but requiring consideration by the superintendent and board of education, are discussed in chapter 10. Chapter 11 summarizes the report's recommendations on policy and administration. Eight appendices present such data tabulations as policy on nonresident tuition payments by location for 1985-86, and international student enrollment. (CJH)

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**MONTGOMERY COUNTY
PUBLIC SCHOOLS
ROCKVILLE, MARYLAND**

**Report on
Enrollment and Tuition
Procedures for
Nonresident Students**

November 1986

Wilmer S. Cody
Superintendent of Schools

Prepared by the Department of Educational Accountability

EA 019 531

MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

REPORT ON
ENROLLMENT AND TUITION
PROCEDURES FOR
NONRESIDENT STUDENTS

by

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EXECUTIVE SUMMARY

REPORT ON ENROLLMENT AND TUITION PROCEDURES FOR NONRESIDENT STUDENTS

Current Board policy on Nonresident Tuition (JED) was adopted by Resolution No. 865-79 on October 9, 1979, (see Appendix I, p. A-1) and the current Administrative Regulation on Enrollment and Tuition for Nonresident and International Students (JED-RA) was approved on February 21, 1981 (see Appendix II, p. A-4).

This assignment was undertaken primarily to review and report on the consistency and completeness of the existing MCPS policies and regulations relating to tuition for nonresident students, to evaluate and verify current operations and practices in terms of the existing policies and regulations, and to recommend administrative modifications which would correct procedural discrepancies or otherwise improve the efficiency and effectiveness of the nonresident tuition process.

The internal audit staff reviewed the MCPS policy and regulation pertaining to nonresident students and tuition and pertinent legal decisions. It analyzed logs of requests for waivers of tuition and reviewed selected tuition waiver request files, financial records on collections of tuition, pupil enrollment records maintained by the Central Office, and selected student files maintained by the International Student Admissions Office and by selected schools. It discussed issues with MCPS officials and staff; and it interviewed school officials and/or reviewed the tuition policies in Prince George's County, Anne Arundel County, Howard County, Fairfax County, the District of Columbia, and Montgomery College.

Findings, conclusions, and recommendations were developed regarding each of the three critical criteria of residency, guardianship, and crisis (Chapters 3, 4, and 5). Issues were also identified in relationship to the visa status of certain international students (Chapter 6), the procedures used by schools in identifying nonresident students (Chapter 7), and the collection of nonresident tuition (Chapter 8). This work highlighted the need for modifying administrative procedures in the tuition program (Chapter 9) and lead to additional policy questions which are outside the scope of the audit but which may need to be considered by the Superintendent and the Board of Education (Chapter 10).

The review of administrative procedures used to collect nonresident tuition (Chapter 8) included an audit of the amounts paid to MCPS in past years. Among other findings, this audit revealed that about \$57,000 of tuition was not collected in school year 1985/86 and that another \$12,000 was forgiven in the waiver/appeal process for students denied waivers. The discussion in Chapter 9 shows how these funds, if collected through improved administrative procedures in future years, would help to offset the costs of implementing those procedures.

Collectively, the findings, conclusions, and recommendations in this report suggest that MCPS administrators need more specific direction and clarifications from the Superintendent and the Board of Education regarding their intentions on the Nonresident Tuition policy and related administrative matters. The most significant policies and administrative matters which need to be addressed are as follows:

POLICY CONSIDERATIONS

- Current Board policy does not define a crisis. The current regulation defines crisis as "an acute situation where the general welfare of the child is in actual jeopardy due to unforeseeable and uncontrollable circumstances which may include abuse or neglect, health or serious illness of the child's parent(s) or guardian(s), abandonment of the child, and/or other extremely undesirable and uncontrollable conditions in the home of the child's parents(s) or guardians(s)." The current regulation also specifies that tuition may be waived only for such period as the crisis is shown to exist by supporting documentation.

The report recommends that MCPS provide additional guidance to staff as to what constitutes a true crisis situation and the extent and type of supporting documentation that must be obtained.

- MCPS does not notify the Immigration and Naturalization Service (INS) of undocumented aliens attending MCPS. Neither current policy nor regulation addresses this issue.

The report recommends that MCPS consider requesting a formal legal opinion as to whether it has a legal responsibility to notify the INS of undocumented aliens attending MCPS.

- MCPS has inconsistently followed the practice of allowing grace periods for the establishment of residency in the county. Current policy does not address this issue, but the regulation does not allow grace periods.

The report recommends that MCPS establish a policy regarding grace periods for meeting the requirement of residency or reaffirm existing regulations which do not allow grace periods.

- The report recommends revisions to Policy JED, Section G, Process, which outlines certain position responsibilities in the waiver process. These revisions would involve the following:

- Responsibility is currently fragmented, and all of the people presently involved in this program have other primary duties and responsibilities. The report recommends the establishment of a full-time, centralized administrative unit.

- The Tuition Waiver Review Committee is now composed of two members, one of whom has potentially conflicting duties. The

report recommends that the makeup of this Committee be revised and expanded.

- The current procedure for reviewing appeals is cumbersome and time consuming. The report recommends that a hearing officer position be established.
- The report raises the following policy issues (discussed in Chapter 10) which might become a part of the Board's and Superintendent's policy discussions:
 - Currently, MCPS offers its educational services to nonresidents if they pay tuition. Should MCPS be selling its educational services?
 - Current policy defines bona fide residence as one's actual residence maintained in good faith and does not include a temporary residence or a superficial residence established for the purpose of free school attendance in MCPS. Broader changes and more restrictive changes are possible. Should the definition of "residency" be changed?
 - Current policy does not automatically exclude any visa category students from attending MCPS, or mandate that students pay tuition. A potentially excluded visa category might be B-2, which is a visitor to the United States here for pleasure. On the other hand, exchange students under recognized international programs on a J category visa are currently admitted without tuition. Should any category of visa automatically exclude or include students, or mandate that students pay tuition?
 - The nonresident tuition policy provides that nonresident students may be denied admission to MCPS if there would be detrimental effects by the enrollment upon racial balance or other relevant factors. The student transfer policy is more explicit in that it establishes specific factors, including racial balance and overcrowding, which cause a school to be closed to students who want to transfer in. Should nonresident students be subject to the same restrictions as MCPS internal transfer students?
 - Fixed, average tuition rates are currently established each year. No distinction is made among the types of special programs and no charges are made for additional services. Tuition rates could be structured to take into consideration the true costs associated with specialized programs and services. Should tuition charges be established on a fee-for-services basis?

ADMINISTRATIVE MATTERS

Enrollment

It is currently a difficult and time-consuming process for schools to identify all nonresident students at the time of initial enrollment or

reenrollment. Not identifying all nonresident students for tuition payment creates a financial burden on the school system. The report recommends that MCPS:

- Require that parents/guardians sign an affidavit as to their bona fide residency in Montgomery County, as a prerequisite to original enrollment in the public schools, and acknowledge that full tuition must be paid for any period(s) of nonresidency.
- Establish that a nonresident student not be enrolled in a school without written evidence that (1) Financial Services has either collected a full semester of tuition or an amount under an approved payment plan, or (2) a waiver of tuition has been approved.

Waiver Criteria

Current waiver criteria of residency, guardianship, and crisis have been questioned by some, have not always been followed, and supporting documentation has not always obtained. The report recommends that MCPS:

- Signify that proof of bona fide residency, guardianship, and crisis are the only criteria for determining whether a nonresident student is entitled to a waiver of tuition; and, except for F-1 student visas, recognize that visa status is an indication of one's intentions but not a determining factor in the tuition waiver process.
- Require that a request for waiver of tuition not be accepted for consideration by the Tuition Waiver Review Committee without the required proof of residency and guardianship unless a full semester's tuition is paid in advance. When tuition is paid in advance, refunds should be made for amounts paid for periods after the effective date of residency or guardianship.

Students With F-1 Visa Status

Students with F-1 visa status are expected to be financially self sufficient, yet many have been granted waivers of tuition for a variety of reasons. The report recommends that MCPS:

- Screen all requests for F-1 student visas so that MCPS assists in the process of obtaining an F-1 student visa for only bona fide students intending to pay for their education in this country.
- Obtain advanced agreement from the receiving school principal to accept an international student seeking an F-1 visa.
- Obtain associate superintendent level certification on the documentation provided to the Immigration and Naturalization Service.
- Require international applicants for F-1 student visas to pay a full year's tuition in advance before MCPS releases its certification

to the Immigration and Naturalization Service. Provision should be made for the return of any money paid in advance should the student not enroll in the school system.

- Require an international student with an F-1 student visa to continue to pay a year of tuition in advance for each succeeding year of enrollment in MCPS or not be permitted to enroll.

Payment Requirements and Collection Control

There is confusion in the school system as to who should collect nonresident tuition and when it should be collected, and the situation is worsened by a counter productive procedure which puts needless burdens on principals. Collecting nonresident tuition is not a proper role for schools to be performing. Rather, tuition should only be collected by the Department of Financial Services. The report recommends that MCPS:

- Require that all nonresident tuition be paid by the parent/guardian directly to the Department of Financial Services.
- Establish that an associate or the deputy superintendent should be responsible for approving payment plans under unusual circumstances.
- Establish that the Department of Financial Services should be responsible for collecting all tuition payments and providing reports and records of payments to schools and other administrators.

Position on Refunds

Although the MCPS lawyer has indicated that refunds of deposits should be made under certain circumstances, and staff is following his recommendation, MCPS has no stated policy on making refunds of deposits for nonresident students who are eventually granted waivers of tuition. The report recommends that MCPS:

- Adopt a formal written position on refunding advanced tuition payments so that nonresident students pay tuition only for that period when they are not bona fide residents of Montgomery County.

* * * * *

Once the Board and Superintendent have clarified nonresident tuition policy and stated their positions on the related administrative matters summarized above, changes should be made in the regulation and approved actions implemented.

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Chapter 1

INTRODUCTION

The current Board policy on Nonresident Tuition (JED) was adopted by Resolution No. 865-79 on October 9, 1979 (Appendix I), and the current Administrative Regulation on Enrollment and Tuition for Nonresident and International Students (JED-RA) was approved on February 21, 1981 (Appendix II).

This assignment was undertaken primarily to review and report on the consistency and completeness of the existing MCPS policies and regulations relating to tuition for nonresident students, to evaluate and verify current operations and practices in terms of the existing policies and regulations, and to recommend administrative modifications which would correct procedural discrepancies or otherwise improve the efficiency or effectiveness of the nonresident tuition process.

Chapter 2 sets forth some general information for the reader. Findings associated with each of the three critical criteria in the tuition waiver program -- residency, guardianship, and crisis situations -- are discussed in Chapters 3, 4, and 5. Chapter 6 discusses issues associated with the visa status of certain international students, Chapter 7 discusses the procedures used by schools in identifying nonresident students, and Chapter 8 discusses tuition collection.

From observations of the tuition waiver review process, audit testing, and discussions with the personnel involved, findings for modifying the administrative procedures for the tuition program were developed and are presented in Chapter 9. Chapter 10 raises some additional policy questions which were not examined during the audit because they go beyond its intended scope. Chapter 11 presents a policy-oriented summary of the recommendations made throughout the report.

SCOPE OF REVIEW

The internal audit staff reviewed the MCPS policy and regulation pertaining to nonresident students and tuition and pertinent legal decisions. It analyzed logs of requests for waivers of tuition and reviewed selected tuition waiver request files, financial records on collections of tuition, pupil enrollment records maintained by the Central Office, and selected student files maintained by the International Student Admissions Office and by selected schools. It discussed issues with MCPS officials and staff; and it interviewed school officials and/or reviewed the tuition policies of Prince George's County, Anne Arundel County, Howard County, Fairfax County, the District of Columbia, and Montgomery College.

Because of past practices regarding the maintenance of records on tuition waivers, it was not possible to substantiate some information previously reported to the Board of Education. Data files relating to prior year students who did not reapply for a waiver in the current year used to be routinely discarded because of the lack of space. However, managers indicated during the audit that all tuition waiver request files are now being retained and that a formal record retention policy will be developed.

The numbers of students, dollar amounts, and various analyses in this report are based upon best available information, summarized from records existing at the time of the review. Only limited work could be done on prior years' requests for waivers of tuition.

Chapter 2

BACKGROUND

MCPS POLICY ON NONRESIDENT TUITION

MCPS policies and procedures on nonresident tuition are set forth in Policy JED: Nonresident Tuition (Appendix I) and Regulation JED-RA: Enrollment and Tuition for Nonresident and International Students (Appendix II). Among other things, they establish the criteria for residency, guardianship, and crisis and the procedures for admitting, enrolling, and placing nonresident students.

The residence of a qualified MCPS school student is the bona fide residence of both or one of the child's parents or court-appointed guardian. Generally speaking, tuition shall not be charged if the parent or guardian has an established bona fide residence in Montgomery County.

To be tuition-free in guardianship cases, it must be shown that guardianship was obtained for necessary reasons concerning the child and not for the sole or primary purpose of avoiding nonresident tuition or for convenience of the persons involved. MCPS attempts to determine that guardianship was obtained for "necessary reasons concerning the child" by evaluating a crisis situation that a parent/guardian stated is having an undesirable effect on the child. 1/

A crisis is defined by MCPS as an acute situation where the general welfare of the child is in actual jeopardy due to unforeseeable and uncontrollable circumstances.

TUITION PROCESS

Each school plays a crucial role in the identification of nonresident students. A number of students are identified by the schools and pay the required tuition. Other students believe they have a basis for not paying tuition and submit a request for waiver of tuition. At this point, the parent or guardian must submit a completed Request for Waiver of Tuition

1/ MCPS' approach is not the only way to deal with nonresidents and tuition. For example, some school systems do not have a tuition waiver program and staff but simply enroll all children who come to their county to live regardless of with whom and under what circumstances. In another school system, there is no provision for anyone to pay tuition; nonresidents simply are not enrolled. See Appendix III for additional perspectives on this issue.

form with attached proof of residency, court-appointed guardianship papers, and any documentation to support a crisis situation. The request is signed by the parent or guardian and notarized.

The waiver process itself essentially involves up to four stages of review and appeal. The first stage involves the gathering of information and its review by the Tuition Waiver Review Committee which either approves or denies the applicant's request for waiver of tuition based upon the records provided. A majority of requests are decided at this first stage.

If a denial of the original request is appealed, the second stage normally involves a review of the record by the director of interagency, alternative, and supplementary programs and a meeting with the applicant to seek out additional information. The appeal is then either approved or denied.

If a denial of the appeal is further appealed, the third stage of the process would normally repeat the first appeal process, but at the level of the associate superintendent for special and alternative education or higher.

A few denials are appealed to the deputy superintendent or the Board of Education or both as a further stage.

Students who have been denied a waiver of tuition may proceed with enrollment at a school provided they pay the required tuition. Schools are responsible for collecting initial payments of tuition and forwarding them to the Department of Financial Services. The department then issues invoices for subsequent payments.

OVERALL DATA ON REQUESTS, APPROVALS, AND DENIALS

Reports over the years have shown that requests for waivers of tuition have been steadily increasing. Each school year brings updated requests for all continuing students whose waivers had been approved the previous year as well as requests from new incoming students. In school year 1980/81, there were 328 requests which have grown to 654 ^{1/} requests for school year 1985/86, an increase of 50 percent. However, there has been a decrease of 10 percent in the rate of approval in the past three years.

A majority of requests for waivers of tuition have been approved, mostly by the Tuition Waiver Review Committee (TWRC), as shown by the following data for the past several years:

^{1/} The total figure of 654 is 10 greater than reflected in the Annual Report on Nonresident Tuition to the Board because the Board report eliminates 10 applicants who were determined to be residents and should not have applied.

School Year	Requested	Approved	Rate of Approval
1983/84	409	397	97% (94% by TWRC)
1984/85	505	475	94% (90% by TWRC)
1985/86	654	572	87% (78% by TWRC)

Questions have sometimes been asked about the subsequent status of students who have gone through the waiver process. Do they reapply each year? Where have they gone? An analysis of the requests for school year 1984/85 showed their status in the following school year 1985/86 as follows:

APPROVED	
Reapplied for waiver in 1985/86	209 ^{1/}
Withdrew from school during 1984/85	178
Graduated in 1985	51
Not enrolled	25
Enrolled, tuition status unknown	12
DENIED - did not reapply	30

Total	505
	===

COLLECTIONS OF TUITION

Most tuition is collected for nonresident students who did not request waivers of tuition. Relatively little money is collected for those students who went through the waiver of tuition process and were denied a complete or partial waiver of tuition. The amounts collected depend upon whether the students elected to enroll after denial of the waiver and, if they did enroll, the dates of enrollment/withdrawal, period of residency, effective date of waiver, etc.

Following is a brief summary of money collected for nonresident tuition. Numbers of students are shown in parentheses.

	1983/84	1984/85	1985/86 ^{2/}
	-----	-----	-----
Paid voluntarily	\$274,996 (95)	\$271,910 (85)	\$221,684 (69)
Tuition waiver process	25,265 (21)	7,054 (9)	31,842 (34)
	-----	-----	-----
Total paid	\$300,261 (116)	\$278,964 (94)	\$253,526 (103)
	=====	=====	=====

^{1/} All but four requests were again approved in school year 1985/86.

^{2/} For details see Appendix IV, page A-11.

Chapter 3

RESIDENCY

MARYLAND RESIDENT AND TUITION POLICIES

Article VIII, Section 1, of the Maryland Constitution directs the General Assembly to "establish throughout the State a thorough and efficient System of Free Public Schools." Legislation implementing this requirement is contained in Section 1-201 of the Education volume of the annotated code which provides that "There shall be throughout this State a general system of free public schools according to the provisions of this Article." Furthermore, Section 7-101(a) ("the free school law") provides that "All individuals who are 5 years old or older and under 21 shall be admitted free of charge to the public schools of this State."

The broad mandate, implicit in these constitutional and statutory provisions, has never been interpreted by either the Maryland State Board of Education or the various county boards of education as affording free public education to any individual without regard to actual residence. The State Board has, in fact, concluded ^{1/} that it is not required to provide a free education to individuals who do not have even a "minimal nexus" to the state. In this regard, the Board stated that Section 7-301 ("the compulsory school law") was of primary importance as evidence of the General Assembly's intent that the requirement of bona fide residency is a key factor in determining not only (1) whether a student is compelled to attend public school but (2) whether or not that person is entitled to attend free of charge. Section 7-301 requires that "Each child who resides in this State and is 6 years or older and under 16 shall attend a public school regularly...."

The State Board has further concluded that the education policy of Maryland is consistent with the legislature's intent as expressed in the constitutional and statutory requirements for free public schools in that it does not permit the charge of tuition to students who are in fact residents of Maryland regardless of whether or not the students or their families maintain domicile in another location. Moreover, the county boards of education are empowered to require that students attending their schools be **residents** of their particular county.

^{1/} Opinion of the State Board of Education regarding David Armour v. Board of Education of Montgomery County, Maryland, et al., No. 79-10, dated September 14, 1979.

MCPS RESIDENCY REQUIREMENTS

Board policy provides that "All qualified school-age persons who have an established bona fide residence in Montgomery County shall be considered resident students and shall be admitted tuition free to the Montgomery County Public Schools." 1/

Bona fide residence is defined as one's actual residence maintained in good faith and does not include a temporary residence or a superficial residence established for the purpose of free school attendance. The bona fide residence of a qualified school-age student is as follows:

- For students under 18 years of age and not emancipated, it is the bona fide residence of both or one of the child's parents. If the parents live apart, the child's bona fide residence is the bona fide residence of (1) the parent to whom legal custody is awarded or (2) if legal custody is not awarded, the parent with whom the child regularly lives.
- For students 18 years of age and over or otherwise emancipated, 2/ it is the student's bona fide residence in Montgomery County.
- For school-age students residing with a court-appointed guardian, it is the guardian's bona fide residence in Montgomery County. This student is entitled to be admitted tuition free only if it is shown that guardianship was obtained for necessary reasons concerning the child and not for the sole or primary purpose of avoiding nonresident tuition or for the convenience of the persons involved.

A qualified school-age student under 18 years of age who is living in Montgomery County with friends or relatives who are not parents or court-appointed guardians is considered a nonresident student.

1/ One important exception to this policy pertains to the international exchange student. Tuition is not charged for a nonresident student who is an American Field Service student or other exchange student in an approved MCPS exchange program holding a valid J visa for whom complete plans have been made by MCPS and the sponsoring family. This type of arrangement is a common practice among school districts.

2/ On September 1, 1983, the MCPS lawyer advised that each decision on emancipation must be based on the individual circumstances of the case and, that at a minimum, school system officials should consider (1) whether the minor is essentially self-supporting and (2) whether the parent(s) have voluntarily relinquished their parental rights by consenting or condoning the emancipation circumstances, or otherwise.

Determination of Residency

The determination of a person's bona fide residence is a factual one and must be made on an individual basis. An intent to reside indefinitely or permanently at the present place of residence is not necessarily required.

Some pertinent factors which are cited in the Board policy and which may assist in determining residency are place of voting, payment of taxes and statements on tax returns, ownership of property, the address at which one receives mail, statements as to residency contained on contracts or other documents, statements of licenses of governmental documents, etc.

SOME TUITION WAIVER RECORDS LACK PROOF OF RESIDENCY

The MCPS "Request for Waiver of Tuition" form submitted by the parent/guardian specifies that proof of residency such as a tax receipt or deed or lease to residence must be attached and that the request cannot be processed without it. For the most part, MCPS relies heavily on copies of leases and deeds of property to determine a person's bona fide residency. They have also accepted copies of loan payment cards, tax assessments and bills, letters from apartment managers, and similar documents.

Although some verification was done in the past, copies of these documents were usually accepted as submitted because of a limited resource capability. Managers report that now the proof of residency is more frequently verified with phone calls and inquiries corroborating the information provided.

A review of 46 files of approved tuition waivers (about 10 percent of the principle categories approved at the time of review) revealed 6 files, or 13 percent, that did not contain evidence as to proof of residency. ^{1/} One file contained no documentation whatsoever regarding residency. Another file contained a copy of an expired lease, and another file contained a copy of an unsigned lease. Some additional examples follow:

- A waiver request was approved in June, 1985, even though the address provided by the guardian on the request for waiver of tuition form was different than the address on a copy of a lease provided two years earlier. There was no documentation of the current address.

^{1/} The other 40 files reviewed did contain some proof as to residency such as leases, deeds, tax receipts, etc. The emphasis here, and throughout the report, on those cases that did not meet the established criteria is meant to highlight areas which require clarification or which could be improved, not to imply that these cases necessarily generalize to the entire decision-making process.

- A waiver request was approved with a notation in the file "Pending receipt of copy of sister's rental lease." This information was never mentioned in the approval letter sent to the guardian. The guardian was requested to provide proof of residency by telephone in November, 1985, and by letter in February, 1986. The student finished school in June, 1986 **without** the proof of residency ever having been provided.

Conclusions

A student must be a bona fide resident of Montgomery County in order to attend MCPS without the payment of tuition. Proof of residency must be provided before a request for waiver of tuition can be approved.

In some instances the records do not contain proof as to the student's bona fide residence. These students may be residents and someone may have seen the proof of residency but neglected to make a record of it. Nevertheless, the possibility exists that some nonresident students are attending school without paying tuition.

Recommendations

It is recommended that the requirement on the Request for Waiver of Tuition form be enforced and the request not be accepted for processing without the attached proof of residency unless a full semester's tuition is paid in advance.^{1/} Under these circumstances, refunds would be made for amounts paid for periods after the effective date of residency if the waiver is approved.

It is also recommended that the Tuition Waiver Review Committee review the documented proof of residency or verify the advanced tuition payment before acting upon requests for waivers of tuition.

POTENTIAL RESIDENT STUDENTS ATTEND MCPS WITHOUT PAYING TUITION

A number of requests for waivers of tuition for nonresident students have been approved or denied on a basis which is contrary to the regulation. These cases have usually been categorized as "Housing crises," but they do not appear to fit the definition of "crisis." They are discussed in this chapter because they appear to relate more appropriately to residency.

^{1/} Here, and throughout the report, this is intended to mean a full semester's tuition for the student who is enrolled at any time during the first semester. Otherwise, prorated tuition would be required from the date of first enrollment in the second semester to the end of the current year.

In school year 1985/86, there were 24 waivers of tuition granted and 2 denied under the classification of "Housing crisis." A review of 5 of these cases disclosed that waivers were approved so that students could begin school in Montgomery County prior to their establishing residency in the county. They were not residents at the time of the request because their parents could not move into new housing in the county until after the beginning of the school year.

These applicants presented information regarding future housing settlement dates, residential lease agreements, sales agreements, and evidence of housing under construction. The Tuition Waiver Review Committee denied 4 of the 5 requests because they were nonresidents.

All 4 applicants appealed their denials and were granted 30-day waivers. In two of the waivers, it was stated that "Our policy, generally, in such cases, is to allow a grace period of 30 days during which no tuition is charged." 1/

This same rationale was also used to deny a request for waiver of tuition as shown in the following:

-- On September 1, 1985, a parent requested a waiver of tuition because she and her son were temporarily living with friends in Montgomery County pending the completion of a purchased home expected by October 15, 1985. This request was denied by the Tuition Waiver Review Committee "...because **the regulation states** you have to be moved into Montgomery County within 30 days from the first day of school. Therefore, you are not a resident of Montgomery County and you will have to pay tuition." (emphasis added) In spite of this denial, the student was enrolled in MCPS on September 3, 1985. There is no record of tuition paid by this parent.

MCPS Regulation JED-RA regarding the charging of tuition for those persons moving in or out of the county makes no allowances for grace periods and waivers. Section B of the Regulation is as follows:

3. Students whose parents are planning to move into the county are subject to tuition charges **up to the time they have established bona fide residence in Montgomery County.** (emphasis added)
4. Students moving out of Montgomery County may be permitted to continue to attend school in the county by paying tuition **for the time they are nonresidents.** (emphasis added)

The problem of not following the foregoing regulations is illustrated by the following case that the Tuition Waiver Review Committee approved:

1/ Prince George's County policy, for example, allows potential resident students to be admitted to school, but tuition is required if residency is not established within 30 calendar days after date of entry.

- An out-of-state resident requested a waiver of tuition in July, 1985, prior to the beginning of the 1985/86 school year because the family was buying a house in Montgomery County and expected to move there in November. This request was approved by the Tuition Waiver Review Committee through June, 1986. The student enrolled in MCPS at the beginning of the school year in September.

In late February, 1986, it was discovered that the waiver file on this student did not contain a proof of residency. A letter was sent to the parent advising that a tax receipt or a rental lease must be forwarded within 5 days in order for the student to remain in school. A follow-up letter demanded the payment of \$4,123 tuition or the withdrawal of the child from school within 5 days.

The parents appealed this decision because the waiver was granted until June, 1986, and the parents believed they had acted in good faith to pursue residence in Maryland, even though they were not yet residents. Additional discussion ensued, and finally the original waiver was upheld because it had been approved through June, 1986, without any conditions.

As a result of the foregoing, this nonresident student attended a full year of school in Montgomery County without paying the required tuition.

Conclusions

Some nonresident students are permitted to attend MCPS without paying the required nonresident tuition. This is possible because existing regulations pertaining to persons moving in and out of the county are not being followed. Instead, a more liberal and unauthorized "policy" of granting a 30-day grace period is used.

The liberalization of residency requirements for potential residents may create more problems than solutions. What about the student whose family plans to establish residency within 35, 40, or even 45 days after entry into school? Should they be admitted or not? Additionally, for example, such a change may spur others to request a grace period for the establishment of guardianship or others to request tuition not be required for a period of time after a crisis situation has passed.

Recommendations

It is recommended that MCPS either establish a policy regarding a grace period for meeting the requirements of residency or reaffirm existing regulations which do not allow grace periods.

In addition, as will be discussed in detail later in this report, it is recommended that nonresidents who have not obtained a waiver of tuition be required to pay a full semester's tuition in advance before they are admitted to the schools.

Chapter 4

GUARDIANSHIP

MCPS GUARDIANSHIP REQUIREMENTS

According to Board policy, a qualified school-age student residing with a court-appointed guardian, who has an established bona fide residence in Montgomery County, shall be considered a resident student. However, such a student can be admitted tuition free, only if it is shown that said guardianship was obtained for **necessary reasons concerning the child** and not for the sole or primary purpose of avoiding nonresident tuition or for convenience of the persons involved.

MCPS attempts to determine that guardianship was obtained for necessary reasons concerning the child, and not to avoid tuition or for convenience of the persons involved, by requiring the guardian to state the reason for a request for waiver of tuition and present any documentation to support a crisis situation.

Crisis situations will be discussed in the next two chapters of this report. This chapter deals only with the documentation obtained by MCPS in support of the proof of guardianship.

Documentation of Guardianship

The documentation by MCPS of guardianship should be a simple matter. One needs to see the Order of Guardianship signed by a judge of an appropriate court and either (1) make a copy for the record or (2) make notations in the record as to its existence.

SOME TUITION WAIVER RECORDS LACK PROOF OF GUARDIANSHIP

The MCPS "Request for Waiver of Tuition" form submitted by the "guardian" specifies that the court-appointed guardianship must be attached and that the request cannot be processed without it. In a number of instances, requests have been processed and approved without the required proof of guardianship having been submitted and, therefore, without the proper assurance that the student is entitled to free schooling.

A review of 36 files of approved tuition waivers revealed 9 files, or 25 percent, that did not contain evidence as to the proof of guardianship. ^{1/} These 9 students were living with brothers, sisters, aunts, uncles, and friends. MCPS policy (para. D.5.) specifies that students living in Montgomery County with friends and relatives who are not parents or court-appointed guardians shall be considered nonresident students. None of these students were paying tuition.

^{1/} See footnote, p. 8.

Even when guardianship is obtained, tuition is still owed to the date of guardianship. The MCPS regulation (para. B.10.) specifies that "In cases where adoption or guardianship is planned and underway, tuition is prorated up to the effective date of the legal adoption or guardianship." This provision of the regulation was not followed in some instances as seen in the following:

- A review of approval letters for school year 1985/86 disclosed 10 instances where proof of guardianship had not been obtained. These waivers of tuition were granted "pending receipt of the proof of guardianship" within specified periods of time ranging from 10 days to 2 months. These conditions were met as follows:

Conditions met within time specified	4
Conditions met, but not on time	3
Files not reviewed, unavailable	2
Student did not enroll	1

Most applicants met the conditions specified in the approval letters, but many were enrolled in school before guardianship was obtained. One of the applicants did not obtain court-appointed guardianship until 5 months after the waiver of tuition approval had been given. None of these applicants paid tuition, prorated to the effective date of guardianship.

- In February, 1986, the office responsible for maintaining the tuition waiver files made a review of the records and found 12 additional instances where proof of guardianship was missing. Letters were sent to these individuals advising them that "If you wish the student to remain in Montgomery County Public School you will have to forward a copy of the guardianship to our office within five days."

Conclusions

A student, not living with his or her parent(s), must be living with a court-appointed guardian who is a bona fide resident of Montgomery County in order to be considered for attending MCPS without the payment of tuition.

While most guardians provide proof of their guardianship, some waivers of tuition are granted for students who are not residing with court-appointed guardians and are, therefore, nonresidents. Other waivers are granted for students when there is no proof that they are residents living with court-appointed guardians. Under the regulations, some should have paid tuition until guardianships were obtained. However, "allowances" were made and, as with the establishment of residency (p.11), "grace periods" were granted for the establishment of guardianship.

Recommendations

It is recommended that the requirement on the Request for Waiver of Tuition form be enforced and the request not be accepted for processing without the attached proof of guardianship unless a full semester's tuition is paid in advance. Under these circumstances refunds would be made for periods after the effective date of guardianship if the waiver is approved.

It is also recommended that the Tuition Waiver Review Committee review the documented proof of guardianship or verify the tuition payment before acting upon the request for tuition waiver.

Chapter 5

CRISES SITUATIONS

MCPS REQUIREMENTS FOR A CRISIS SITUATION

MCPS Regulation JED-RA specifies that tuition may be waived when an appropriate application for a waiver of tuition **with accompanying documentation** establishes that the student is in a crisis situation.

It defines a crisis as "an acute situation where the general welfare of the child is in actual jeopardy due to unforeseeable and uncontrollable circumstances which may include abuse or neglect, health or serious illness of the child's parents or guardians, abandonment of the child, and/or other extremely undesirable and uncontrollable conditions in the home of the child's parent(s) or guardian(s)."

Under this provision, tuition may be waived only for such period as the crisis is shown to exist by supporting documentation.

TUITION WAIVERS IN CRISIS SITUATIONS

During school year 1985/86, there were 654 requests for waivers of tuition for a wide variety of reasons affecting the child. Of these requests, 572, or 87 percent, were approved; and 82, or 13 percent, were not approved.^{1/} Family crisis and political crisis are the two most prevalent and difficult situations to evaluate. Following is a summary of requests by type of crisis and student:

^{1/} See footnote ^{1/}, p. 4. In addition, variances among types of crisis between the two reports exist because the Board report classified crisis into more general categories and does not contain a category for "other" types of crisis.

Type of Crisis	Student			Percentage
	Intern'l	U.S.	Total	
APPROVED				
Family crisis	60	139	199	30
Political crisis	57	0	57	9
Death	21	35	56	8
Health	16	39	55	8
Social services	4	48	52	8
Resident	8	16	24	4
All others (17)	68	61	129	20
	234	338	572	87
NOT APPROVED				
No crisis	13	18	31	5
Not resident	0	26	26	4
No guardian	4	3	7	1
Student visa	6	0	6	1
All others (7)	3	9	12	2
	26	56	82	13
Totals	260	394	654	100

Basis for Review

A review was made of 46 approved files and 12 not-approved files to evaluate the basis and validity of the crisis situations. This represented about 10 percent of the more significant types of crisis situations existing at the time of the selection.

NEED FOR BETTER DOCUMENTATION OF CRISIS SITUATIONS

A review of files pertaining to the documentation of requests for waivers of tuition disclosed that there is often not enough information to permit an independent and objective after-the-fact evaluation of the decisions reached. Information obtained through observation, interview, and other means is usually not documented at the time of decision.

The documentation which was available for review in support of crisis situations usually consisted of brief statements by the applicants on the Request for Waiver of Tuition forms or, in some instances, accompanying letters of explanation. Rarely was there documented information disclosing follow-up work or independent verification upon which the Tuition Waiver Review Committee could base its decision.

Although the documentation was not always in the files, the managers indicated that there are many instances in which telephone calls verifying a crisis were made to school counselors, registrars, or principals, and to the appellants themselves. This information was brought to the committee's attention by the supervisor of the Division of Interagency and Alternative Programs and used in the decision-making process.

There are personal interviews and additional contacts with those applicants who appeal the denial of a tuition waiver. Occasionally there may be a letter from the applicant's doctor, lawyer, or social service agency. The memorandums of meetings usually alluded to records and documents seen but not identified or retained for the record.

CRISIS SITUATIONS

What constitutes a crisis? How much documentation is needed? These are questions that the managers and participants in the tuition waiver review process are constantly seeking to resolve as they make decisions affecting the lives and careers of students. The need for guidance in this area was recently conveyed to the Board by the program managers.

Following is a discussion of the principal crisis situations involved in the tuition waiver review process. This includes the staffs' definition of the crisis and the documentation available in the files. This information is presented so that the Superintendent and the Board can better understand the types of issues faced by the staff and provide additional guidance to them. 1/

Family Crisis

Definition: Due to divorce or separation, children, along with the custodial parent(s), are forced to live with a resident of Montgomery County.

Eighteen tuition waiver files approved because of a family crisis were reviewed--12 of U.S. citizens and 6 of international students. Twelve files contained a brief statement on the tuition waiver request form about the crisis, five files contained letters from the applicant describing the crisis situation, and one file contained no information on the crisis but said the guardian was planning to adopt. Five files on denials because of "no crisis" were also reviewed.

1/ See footnote, p. 8.

Following are examples of family crisis situations selected to demonstrate the need for clarification:

- Guardian/aunt brought international student to the U.S. from a South American country because parents were experiencing a process of separation. This request was **approved** by the Tuition Waiver Review Committee. Several months later this same guardian/aunt brought another international student to the U.S. from the same South American country because the parents were having a stressful situation economically and the student could not be there during process of separation. This request was **denied** twice and went to the second appeal level for a decision. In the meantime, this student had been enrolled in school and completed the 1985/86 school year without any payment of nonresident tuition.
- Sister brought student from New York to live with her because the student and father didn't see eye-to-eye, meaning they don't get along. Request was **approved** by the Tuition Waiver Review Committee.
- A mother in North Carolina gave custody of her child to an aunt in Montgomery County. Aunt requested a tuition waiver because of family conflicts between mother and daughter. Request was **denied** by the Tuition Waiver Review Committee.

Other family crisis situations, in which students are not living with parents, included such matters as parents (in South America) cannot support, problem with stepfather, mother has other children and can't afford and control, mother can't handle economically, mother doesn't want, parents divorced, etc.

Political Crisis

Definition: A political crisis in the student's home country requiring him or her to live with guardians in Montgomery County to escape life-threatening danger.

Nine tuition waiver files approved because of political crisis were reviewed. Four files contained a brief statement on the tuition waiver request form about the crisis, three files contained letters from the applicant describing the crisis situation, one file contained newspaper articles about the violence taking place in a foreign country, and one file contained no information on the crisis.

Following are examples of political crisis situations selected to demonstrate the need for clarification:

- Student entered the U.S. from South America as an illegal alien. Letter from aunt in Montgomery County said that student's parents sent him to live with her because they were unable to support him, and the war situation in the home country makes it very dangerous for people of his age. Request was **approved** by the Tuition Waiver Review Committee.

- Student entered the U.S. on a student visa. Guardian's request for waiver attributed the request to the war between the student's country and another mideast country, participation of young boys in the war, and the bombing of civilians in the cities and villages. This request was denied by the Tuition Waiver Review Committee because the student held a student visa. The request was approved at the first appeal level because children 14 years and older are being drafted into the mideast country's army, endangering the health, safety, and welfare of the student.

The other political crisis situations were similar and included such matters as war, danger of being killed or kidnaped by guerrillas, danger in foreign country, parents in trouble with foreign government, political danger, etc. Some of these situations are also discussed in Chapter 6 on International Students.

Death

Definition: Due to death of parents, guardians, etc., a child is sent to live with a guardian who is a resident of Montgomery County.

Five tuition waiver files approved because of death were reviewed--two were international students and three were U.S. citizens. These crises do not appear to present problems in documentation or raise questions about the decisions reached.

Health

Definition: Children, due to health reasons, are sent to area hospitals for treatment.

Four tuition waiver files approved because of health were reviewed. Only one case involved the health of the child. The other three cases involved an illness of the mother. Three of the cases did not appear to present a problem in documentation or raise much question about the decision because they contained some independent outside indication that there was a health problem. The other approval was based upon a statement by the student's sister that the nonresident mother is unable to take care of the child because of illness and money.

Social Services

Definition: Students are wards of the court and are placed in group and/or private homes within Montgomery County.

These nonresident students are enrolled in MCPS and are automatically granted a tuition waiver. For many years there has been a problem in billing other Maryland counties for their students and in paying other counties for one's own students.

Generally speaking, counties have not been paying each other. This was a recognized statewide problem which was been addressed with the passage of Maryland H.R. 428, effective on July 1, 1986. This bill provides that the expense for educating an out-of-county Maryland student will be paid by the sending local education agency, with any cost differential to the receiving local education agency being paid by the state.

A limited amount of review was done in this area. The entire matter will be examined more thoroughly in a planned future overall review of MCPS revenues. At that time the new procedures should have been in effect long enough to assess their effectiveness in resolving this issue.

Conclusions

The greatest number of crisis situations involve Family Crises and Political Crises, and these are the most difficult to document and evaluate. What constitutes a crisis as defined by the regulation which states that it is "an acute situation where the general welfare of the child is in actual jeopardy due to unforeseeable and uncontrollable circumstances"?

Is it a family "crisis" when parents are separated or a child and parent do not get along and the child moves in with relatives in Montgomery County? Was this the only alternative available? Was it the best alternative for the child? Should MCPS obtain corroborating evidence?

Is it a political "crisis" if the student's home country is at war or in political turmoil? Is this sufficient reason for granting a waiver of tuition, or must the student demonstrate a more direct and personal political crisis? Should all students from certain warring countries be granted automatic waivers of tuition? How much documentation should be required? Should MCPS obtain corroborating evidence?

MCPS needs better guidance from the Superintendent and the Board of Education as to (1) what they feel constitutes a true crisis situation and (2) what type and extent of documentation is necessary under the various crisis situations. MCPS also needs the capability for looking into the validity of a claimed crisis situation when the circumstances warrant.

Matters for Consideration by MCPS

The Superintendent and the Board may wish to express approval for the manner in which the staff has reached its decisions on past crisis situations, as previously discussed, thereby establishing those decisions as precedents to be followed in the future. Or, they may wish to consider the following actions:

- Identify the various types of situations which it considers to be genuine crises
- Define each crisis situation
- Specify the type and extent of documentation expected in support of a particular crisis especially family and political crises

Chapter 6

INTERNATIONAL STUDENTS

An international student has not been defined under MCPS policy and regulation but, for purposes of nonresident tuition, is generally considered to be any student who is not a U.S. citizen. At the end of school year 1985/86, MCPS had a total enrollment of 9,905 international students (see Appendices V and VI). These students constitute more than 10 percent of the enrollment of the entire school system, including 3,317 new students who had been enrolled during the year. This total enrollment also includes 5,442 students (54.9 percent) who are here as immigrants and may be expected to become U.S. citizens at some future time.

The International Student Admissions Office (ISAO) is responsible for the admission, enrollment, and placement of international students, including an initial determination of the tuition status of the student. Individual schools perform the same basic role for all other students.

ISAO PROCEDURES

All students entering MCPS who are not U.S. citizens must be enrolled through the ISAO. Most international students know they have to be processed by the ISAO through contacts with the local international community; but if not, they are sent to ISAO by school principals.

A parent/sponsor must call the ISAO for an appointment and information on what is required to enroll a student. The student needs to present (1) a passport or permanent resident card, (2) a birth certificate, (3) proof of parents' residency in Montgomery County, (4) official school records, and (5) health and immunization records. Students must be accompanied by a parent/sponsor with proper identification.

The ISAO completes an International Student Registration and Grade Placement form which includes, among other things, the student's and parents'/sponsors' names and address, visa status and date of expiration, educational records, MCPS school and grade placement, and tuition status. ISAO keeps the original of the registration and placement form, gives one copy to the parent/sponsor to take to the receiving school, and sends one copy directly to the receiving school.

All international students residing with their parents in Montgomery County are enrolled by ISAO without the payment of tuition, provided that their parents have established a bona fide residence in Montgomery County. All other students are designated by ISAO to either pay tuition or apply for a waiver of tuition. If tuition payment is designated, ISAO stamps the registration and placement forms with the following statement: "BEFORE STUDENT CAN BE ENROLLED TUITION MUST BE PAID OR TUITION WAIVER MUST BE APPROVED."

If ISAO determines that tuition payments are required, it gives the applicant a Request for Waiver of Tuition form and explains how it is to be filled out. If the individual accompanying the student wants to obtain legal guardianship, the address of the Registrar of Wills in Rockville is given so that the proper legal forms can be obtained.

F-1 Student Visas

Student visas are issued to international citizens for the sole purpose of entering the United States to attend school. MCPS assists in obtaining student visas, and additional procedures apply.

A student or sponsor must first request that MCPS issue a U.S. Immigration and Naturalization Service (INS) Form I-20: Certificate of Eligibility for Nonimmigrant (F-1) Student Status - For Academic and Language Students. The completed form is signed by a designated MCPS official and given to the applicant to send to the Immigration and Naturalization Service. In signing this form, the MCPS official is certifying to INS under penalties of perjury that the information contained therein is true and correct. The information includes, among other things, the name of the school where the student will attend, estimated student costs, student's means of support, and proof of financial responsibility which was received at the school prior to the execution of the form.

The ISAO requires that the student or sponsor sign a notarized statement guaranteeing the payment of tuition and a financial statement as to the student's means of support. This information is normally verified with employers and financial institutions.

New Requirements for F-1 Student Visas

In July, 1986, the ISAO adopted new requirements which must be met before it will issue an I-20 form for an international student to obtain an F-1 visa. ISAO now determines whether space is available in the receiving MCPS school, and it requires evidence of satisfactory English proficiency on the part of the international student. English proficiency is determined by ISAO through the review and verification of official school records or written tests administered by either MCPS or an official of the student's home school. Processing continues if this preliminary information is satisfactorily met; otherwise it ceases.

RECENT REQUESTS FOR WAIVERS OF TUITION

Following is a summary of the 260 international students who requested waivers of tuition during school year 1985/86 by principal visa categories:

APPROVED .	
B-2 Visitor	59
Other (undocumented aliens)	52
Immigrant	46
F-1 Student	43
A-1 Diplomat	10
All other visa categories (12)	24
NOT APPROVED	26

Total	260 1/
	===

UNDOCUMENTED ALIENS

As of June 26, 1986, MCPS had 932 international students who, when initially enrolled, could not document their visa status as legal aliens. Thus, they are undocumented (illegal status) aliens. This number represents about 10 percent of all international students and about 1 percent of all students enrolled in MCPS. This total included 386 undocumented aliens who were just enrolled by the ISAO in school year 1985/86. Of these, 333 were enrolled as residents without the payment of tuition, and 53 requested waivers of tuition. Fifty-two of these 53 requests were approved. These students are treated no differently than other students so far as enrollment and nonresident tuition requirements are concerned. Such treatment coincides with recent Supreme Court decisions. 2/

A question remains, however, as to whether the location of undocumented alien students should be made known to the U.S. Immigration and Naturalization Service (INS). In this regard, an INS publication states:

Some aliens have entered this country illegally, and in addition, others who were given permission to enter temporarily have violated the conditions of their admission. These aliens are "wanted" by this Service. ..., if an alien comes to your

1/ See Appendix VII for a breakdown by country of international students who were granted and denied waivers, those who paid voluntarily, and those enrolled as residents.

2/ In 1982 the U.S. Supreme Court in the case of Plyler v. Doe resolved the question of whether a state must provide free public education to the children of illegal aliens by concluding that the Fourteenth Amendment reference to "any person" extends equal protection guarantees to illegal aliens. However, the Court did not specifically deny state authority to charge nonresident tuition. In 1983 the U.S. Supreme Court in the case of Martinez v. Bynum held that the residency requirement Texas imposed on would-be public school students was constitutional. The residency requirement denied tuition-free admission to public school to minors who lived apart from a "parent, guardian, or other person having lawful control" if the minor's presence in the school district is "for the primary purpose of attending the public free schools."

attention who appears to be in an illegal status, or you wish further information you are requested to telephone or wire "collect" [an office of the INS]. 1/

MCPS does not advise the INS as to its knowledge of undocumented alien students nor is it known that any other jurisdictions do so. This matter was discussed informally with an INS official, but a definitive answer was not provided.

Conclusions and Matters for
Consideration by MCPS

There is uncertainty as to whether the MCPS has a legal responsibility to notify the Immigration and Naturalization Service of undocumented aliens attending MCPS. Accordingly, the Superintendent and the Board may wish to request a formal legal opinion on this matter to resolve this perplexing issue.

On the one hand, not to do so is not to cooperate fully with the intent of the immigration laws and, to the extent that illegal aliens overcrowd schools which have no excess capacity, may penalize other students as well. On the other hand, the role of public education in the United States has traditionally been one of welcoming everyone who seeks learning. Charging school officials with informing the Immigration and Naturalization Service when documentation is not provided plays havoc with that tradition and may be interpreted by the courts as an attempt to circumvent the guidelines provided by the Supreme Court in the case of Plyler v. Doe.

VISA STATUS NOT A DETERMINING
FACTOR IN GRANTING A TUITION WAIVER

Much concern was expressed at the outset of this review regarding the approval of waivers of tuition for international students, especially visitors for pleasure who possess B-2 Visitor visas and students who have F-1 Student visas and should normally pay tuition.

MCPS policy JED on nonresident tuition makes no distinction between international and U.S. students in the determination of tuition. MCPS regulation JED-RA outlines a different procedure for their admission, enrollment, and placement; but it also makes no distinctions in the determination of tuition for international students and for U.S. students.

MCPS tuition criteria provide for the payment or nonpayment of nonresident tuition based upon stated criteria for residency, guardianship, and crises situations, as discussed in Chapters 3, 4, and 5 of this report. These

1/ "Documentary Requirements for Aliens in the United States," U.S. Department of Justice, Immigration and Naturalization Service, p. 1.

three criteria are the determining factors for MCPS to use in approving or denying a waiver of tuition for both international and U.S. students.

In a recent report to the Board, an MCPS administrator stated that all international students meeting basic enrollment requirements and living with their parents in Montgomery County are admitted to MCPS free of tuition. Many exceptions to this general practice were also stated. The most significant exceptions were for those who are here on a temporary basis for pleasure as visitors, such as those holding B-2 Visitor visas and those holding F-1 Student visas who have agreed to be responsible for the payment of tuition.

What was not made clear and what contributes to confusion is the fact that certain exceptions have enabled many international students with B-2 Visitor visas and F-1 Student visas to attend MCPS free of tuition. The situations which lead to this are explained in the following sections.

B-2 Visa Holders (Visitors for pleasure)

B-2 visa holders are temporary, international visitors here for pleasure and are generally admitted to the U.S. for a period of six months. Under these circumstances they are not considered bona fide residents of Montgomery County and cannot attend school without paying tuition. However, they are enrolled by the ISAO if they take some action to have their visa status changed.

A review of 17 student files on B-2 visa holders revealed that most were enrolled in MCPS after initiating some action to change their visa category. Eleven took action to obtain an F-1 student visa, three began the process of obtaining permanent residency, one was admitted as a B-2 visitor (originally, several years ago), one sought intercompany transferee status (L-1), and one sought diplomatic status (A-1) while appealing the denial of a waiver of tuition on the basis that a crisis situation did not exist.

Two of these students were living with their parents and were not required to pay tuition. The remaining 15 students applied for waivers of tuition, with the following results:

APPROVED	
Political Crisis	5
Death	2
Resident	2
Family Crisis	1
Health	1
A-2 status of guardian	1
NOT APPROVED - no crisis	2
APPEAL PENDING	1
	—
Total	15
	==

Following is an example of one of the forgoing students who received a waiver of tuition because of a political crisis:

- Student entered the U.S. as a B-2 visitor for pleasure in April, 1985, and sponsor/sister requested MCPS assistance in obtaining an F-1 student visa in September, 1985. ISAO satisfied itself as to the adequacy of the financial resources for the student and issued an INS Form I-20. ISAO also determined that tuition must be paid or a waiver approved.

The sister requested a waiver of tuition, citing war in the home country as the crisis situation. The request was denied by the Tuition Waiver Review Committee. A waiver of tuition was approved on appeal because the reviewer was convinced that the student was in a crisis situation. The file refers to testimony and documents that had been presented that indicated to the reviewer that the student was in physical danger by remaining in the warring country. The file does not contain the information presented. The student was enrolled in MCPS in October, 1985, without the payment of tuition.

F-1 Visa Holders (Students)

F-1 visa holders are students who have been granted a temporary visa to enter the U.S. for the sole purpose of attending school. They are usually admitted to the U.S. for the duration of their schooling. They entered to attend a specific school and must obtain approval of the Immigration and Naturalization Service (INS) to change schools.

They received their F-1 student visas from INS, in part, because:

- Their parents/sponsors signed affidavits of financial ability to assure that the student will be fully self-supported and not become a burden on the host country.
- MCPS agreed to accept the students for attendance at a particular MCPS school. In addition, the ISAO usually requires the parent/sponsor to sign an MCPS guarantee of tuition and independently verifies financial data, such as salaries and bank account balances.

In spite of the financial affidavits and guarantees required to obtain an F-1 student visa, many students request waivers of tuition and many are approved. A review of requests for waivers of tuition for 18 student F-1 visa holders revealed that only 7 were not approved. The 11 approved waivers were granted for the following reasons:

Political Crisis	6
Family Crisis	3
Death	1
Illness	1
	--
Total	11
	==

The following is an example of a student with an F-1 visa who was granted a tuition waiver because of political crisis:

- Student entered the U.S. in February, 1985, and transferred to MCPS from another school system. ISAO improperly certified to INS on the Form I-20 that MCPS would waive tuition, even though the sponsor/aunt guaranteed that tuition would be paid. ISAO later determined that tuition must be paid or a waiver approved.

The aunt requested a waiver of tuition in August, 1985. In an attached letter, the aunt explained that the student was in danger of being killed or kidnaped by guerrillas and expressed the hope that the student's nerves would calm down. The request was approved by the Tuition Waiver Review Committee. The student was enrolled in MCPS in September, 1985, without the payment of tuition.

It appears that recent requests for waivers of tuition for F-1 students are not being approved as readily as in the past. Requests are now being denied because (1) F-1 students are in this country for the sole purpose of attending school and (2) have guaranteed the payment of tuition. Claimed crisis situations appear to be more carefully analyzed. An example follows:

- Student entered the U.S. as a visitor for pleasure with a B-2 visa, and ISAO determined that tuition must be paid or a waiver of tuition approved. The sponsor/uncle requested a waiver of tuition because he could not afford to pay. The Tuition Waiver Review Committee denied the request because of the student's visitor status. The request was approved on appeal because of a medical statement regarding the student's illness and the political situation in the warring home country, necessitating the student living with the uncle in the U.S. The approval letter specified that the uncle must also provide proof of guardianship. It has not been provided.

At expiration of the B-2 visa, the uncle applied for an F-1 visa for the student. At that time he guaranteed the payment of tuition and signed a statement that he intended to provide for all costs for as long as the student is in the U.S. He also provided information as to his financial resources, which were verified.

It was then determined that the student was in this country for the sole purpose of attending school and would be required to pay tuition once the INS approved the change to an F-1 visa. The denial of a tuition waiver has been appealed and sustained at several administrative levels and went to the Board for final decision.

Conclusions

Better controls need to be exercised over the assistance MCPS provides to an applicant for an F-1 visa. An F-1 student visa is granted by the INS so that one can enter the U.S. for the sole purpose of attending a specific school which has been approved for attendance by the INS. INS also expects F-1 visa students to be self-sufficient. In assisting an applicant to attend an MCPS school, a designated school official must make certain certifications to INS under penalty of perjury that the information contained in the form is true and correct. Because of their importance, these forms should be certified at the associate superintendent level.

Visa status is an indication of one's intentions but, except in the case of F-1 student visas, should not be a determining factor in MCPS's approval or denial of a tuition waiver. It is not a consideration in either the policy or the regulation.

New and more stringent requirements have been developed for the admission of F-1 students to MCPS. These requirements should be formalized and incorporated into regulation JED-RA on nonresident tuition.

An international student living in Montgomery County with one or both resident parents is admitted to school without the payment of nonresident tuition, regardless of visa category. International students living in Montgomery County with a court-appointed guardian should also be admitted to school without the payment of tuition, regardless of visa category, if the guardian is a bona fide resident of the county and the student is experiencing a documentable crisis situation. Otherwise, the international student should be required to pay nonresident tuition.

Again, however, the problem is that MCPS' intentions are unclear. Does MCPS want any student coming from a warring nation to be granted free tuition? What about student's from countries where terrorist activities are commonplace? What about students who want to come here from another part of the U.S. where there may be severe unrest or turmoil, either in the communities or the schools? Or, should documentation of a direct personal crisis be required before we grant free tuition, which is more in keeping with the requirements of the policy and regulation?

Recommendations

It is recommended that, until/unless MCPS adopts new directives, MCPS continue to approve or deny requests for waivers of tuition for international students on the basis of current policy and regulation regarding residency, guardianship, and documented crisis situations.

It is also recommended that MCPS carefully screen all requests for F-1 student visas so that it assists in the process of obtaining an F-1 student visa for only bona fide students intending to pay for their education in this country. In this regard, the ISAO should:

- Formalize its new requirements for the admission of F-1 students by incorporated them into regulation JED-RA
- Obtain advanced agreement from the receiving school principal to accept an international student with an F-1 visa
- Obtain associate superintendent level certification of the documentation provided to the INS
- Collect one year's tuition in advance before the INS forms which will permit a student to obtain an F-1 student visa are signed by the associate superintendent. The money would be returned should the student end up not enrolling in the school system. Similarly, a student with an F-1 student visa should continue to pay a year of tuition in advance for each succeeding year of enrollment in MCPS or not be permitted to enroll.

Chapter 7

IDENTIFYING NONRESIDENT STUDENTS

Board policy requires that nonresident students pay tuition while attending MCPS. Each school plays a crucial roll in the identification of nonresident students for this purpose. Nonresident students may attend MCPS tuition-free for many years, or indefinitely, without detection if not identified by the staff in the schools they're attending.

Many nonresident students are identified at the time of their enrollment in school and pay the required tuition. In school year 1985/86, for example, tuition of \$253,500 was collected for 103 nonresident students. However, identifying all nonresident students is a difficult and time-consuming process, and schools are apparently not able to identify all of them. Various central and area offices receive and respond to calls from schools, and they provide some advice and counsel; but no one is providing overall guidance and counsel to schools on nonresident tuition matters or assisting them in identifying nonresident students.

IDENTIFYING SOME NONRESIDENT STUDENTS A DIFFICULT TASK

MCPS Regulation JED-RA places full responsibility on the local school principals for identifying nonresident students. They are to determine if a student is an international student and then refer them to the International Student Admissions Office for further processing. For all other students, the principal is to determine if they are nonresidents by establishing that they do not meet the criteria of bona fide residents as defined in MCPS Policy JED.

Reviews of pupil address records indicate that not all nonresident students have been identified. Interviews at schools reveal the difficulty in fulfilling this task.

Pupil Address Records

Some students have been enrolled in MCPS schools without providing an address or with an out-of-county address. While there are various explanations for this, some of these students may be nonresidents who should be paying tuition.

MCPS maintains computerized pupil records which include data as to each student's name and address, schools attended, the dates of entry and withdrawal, and information on the student's curriculum.

A review of the computerized pupil records disclosed 156 students with no addresses. No one is responsible for reviewing this type of record to identify nonresident students, nor did time permit a follow-up during the audit. There appears to be a good possibility, however, that there are nonresident students who are not paying tuition among this group.

A review was also made of a computerized list of 69 additional students whose addresses included out-of-county zip code numbers not common with Montgomery County. (Many zip code numbers are common to both Montgomery County and an adjoining county and were not considered even though they could contain nonresident students). A review of the records on the 69 students disclosed that 59 were paying tuition, had obtained a tuition waiver, or were determined not to owe tuition for some other reason.

School officials were questioned about the resident status of the remaining 10 students. They gave a variety of reasons for their students having out-of-county addresses, but apparently some of these students were nonresidents for some period of time and should have paid tuition. Following is a summary of the information obtained:

- Two students had been enrolled before they became residents, and the addresses apparently hadn't been changed. (One student became a resident before entering school and the other had not.)
- Addresses for five students were post office box numbers or addresses for mailing purposes, but the schools said the students reside in Montgomery County.
- The school believed that tuition for two nonresident students was being handled by the Central Office. (Neither student is currently paying tuition.)
- One school waived one month's tuition for a student who graduated in June.

School Interviews

Three questions pertaining to nonresident students were added to an overall survey questionnaire of pupil enrollment records conducted at 111 schools. Most, but not all of the respondents--registrars, guidance secretaries, and regular secretaries--said they were familiar with the regulation on enrollment and tuition for nonresident students and that they identified nonresident students. However, 75 of these respondents, or 68 percent, said they did not collect tuition. This comment suggests that some schools, in fact, may not have been completely familiar with the regulation since schools are required to collect tuition. For example, 30 of the respondents said they had no nonresident students although 3 of these schools had students who were denied a tuition waiver and were not paying tuition.

Visits were also made to a limited number of schools during this review. Although limited, the information obtained is worth noting. There are varying degrees of attention being given to the identification of nonresident students. One school had a very structured and uniform approach

to identifying nonresident students. Other schools rely primarily on a secretary to verify residency. All seemed to be aware that they should verify resident addresses.

Schools appear to have several common problems in identifying all nonresident students -- insufficient time to do an adequate job of verifying residency, the virtual impossibility in verifying some student's addresses, and the need for someone to call upon for backup and assistance.

One elementary school in particular, with an unusually high student mobility rate, expressed concern in keeping up with verifying resident addresses. The secretary said that people play games when asked for documentation. She said that all kinds of excuses are made, people play dumb, become abusive and threatening, come in repeatedly without the information, and try to see a different person. Over the summer this school expected to send letters to about 25 parents/guardians advising them that they must provide proof of residency before the student will be allowed to return to school in the fall.

One high school assistant principal mentioned a suspected phony lease, registered letters to parent/guardian returned with no forwarding address, different students with the same address, and similar situations.

Other pertinent comments included (1) the need for more explicit direction on enrollment of international and nonresident students; (2) the need for a stable, permanent personnel worker; and (3) the need for a central clearing place to do follow-up work.

Assistance Needed For Verifying Addresses

Schools need someone to assist them in verifying student addresses once they have made a reasonable effort to do so themselves. They should be able to refer the problem to someone who has the necessary time to do the follow-up work, experience in investigating such cases, and the authority to initiate corrective action. Follow-up action could include:

- Attempting to directly contact parents/guardians at given residences and places of employment
- Verifying given addresses with landlords, mortgage companies, tax assessors, the motor vehicle administration, neighbors, and others
- Making occasional visits to given addresses to contact parents or guardians
- Sending letters to given addresses with instructions to post office for returning without forwarding, if not deliverable as addressed

If these types of efforts prove fruitless, then additional steps should be taken, including removing the student from school, denying reenrollment, and/or withholding grades and records, unless tuition is paid.

Conclusions

Not identifying all nonresident students for tuition payment creates a financial burden on the school system. However, it is a difficult and time-consuming process for schools to identify all nonresident students because some student addresses are difficult to ascertain. Schools should make a reasonable effort to verify student addresses and then be able to obtain assistance in this endeavor. And, given that each student identified means about \$4,500 in additional revenue (or cost avoidance), such activities are clearly cost effective and justified in the name of financial prudence.

The school system needs someone who can (1) support schools in these efforts, (2) followup on the residency of students whose true addresses are difficult to obtain, (3) review records and use other techniques for identifying nonresident students overlooked by the schools, and (4) take whatever action is necessary to collect tuition owed, have the student removed from school, or withhold student records.

Recommendations

It is recommended that parents/guardians be required to sign an affidavit as to their bona fide residency in Montgomery County, as a prerequisite to original enrollment in the public schools and to acknowledge that full tuition must be paid for any period(s) of nonresidency.

It is also recommended that a position in the MCPS organization be established and given the responsibility for providing advice, counsel, and assistance to schools in identifying all nonresident students. The need for a full-time administrative unit to perform tasks such as these is discussed in Chapter 9.

Chapter 8

COLLECTING TUITION AND REFUNDING DEPOSITS

Schools, for various reasons, do not always collect the required tuition for nonresident students at enrollment or whenever a waiver is denied. Furthermore, no one is specifically responsible for following-up to assure that they have collected the tuition.

The findings discussed in this chapter make it clear that schools should not be responsible for collecting nonresident tuition. The collection responsibility should be placed elsewhere and collection control procedures instituted.

Furthermore, a policy is needed on refunding of tuition deposits.

ALL TUITION NOT COLLECTED

MCPS Regulation JED-RA specifies that local school principals are responsible for collecting full semester tuition from nonresident students at the time of original entry. They are to forward tuition with a completed Nonresident Student Enrollment form to the Department of Financial Services. It is clearly stated that **nonresident students may not begin classes without the payment of tuition unless:**

- An alternate payment plan is approved; then the first payment under this plan is collected.
- Schools are notified in writing to collect 10 percent of annual tuition amount because a waiver of tuition form has been submitted and the decision is pending.
- Waiver of tuition has been approved in writing.

Local school principals are also required to notify the Department of Financial Services when a nonresident student is enrolled, a nonresident student withdraws, and the tuition obligations are not met.

Not all nonresident tuition owed to MCPS is being collected. Some schools don't collect tuition when a nonresident student is enrolled and when a waiver of tuition is denied. Financial records show that 34 students going through the tuition waiver process paid part or full tuition in school year 1985/86. An additional 24 nonresident students were denied waivers of tuition, yet paid nothing.

Any nonresident student denied a waiver of tuition without having made any tuition payments has been improperly enrolled. Ten of the 24 students who were denied a waiver of tuition were enrolled prior to the waiver decision without paying any tuition. Furthermore, after the waivers were denied and school principals notified of the denial decision, none of the 24 paid tuition for the time they spent in school. Calculations, based upon Central

Office tuition waiver files, pupil enrollment records, and related financial information, reveal that about \$57,000 was not collected in school year 1985/86 for these students. Seven of the students owed a full year of tuition, while the other 17 students owed partial tuition depending on enrollment dates and residency status.

It is not certain why this tuition was not collected. However, the audit staff telephoned officials at four schools regarding eight of these students who represented unpaid tuition of \$27,800, almost half of the uncollected amount. They were told that the tuition had not been collected because the school staff did not know they were to collect tuition or they knew, but neglected to collect it.

There also are indications of other uncollected tuition. For school year 1985/86, tuition of almost \$12,000 was forgiven in the waiver/appeal process for nine additional students who were denied waivers of tuition. Similar conditions existed in the prior year when seven students who were denied waivers did not pay \$12,600 that they owed. And, an additional nine students that year may have owed as much as \$31,300, contingent upon when they established residency.

Uncertainty Over Collection Procedures

There is uncertainty as to who is responsible for collecting the first payment for students who have been denied waivers of tuition. The Division of Interagency and Alternative Programs thought that the Department of Financial Services billed the student's parent/guardian upon receipt of a copy of the denial letter sent to the applicant.

Financial Services does not bill on the basis of a denial letter. Schools also receive copies of the denial letter sent to the applicant, and they have current information as to the student's enrollment status. Therefore, Financial Services waits for the schools to collect the first payment and submit it to them along with a copy of a completed "Nonresident Student Enrollment" form, as required by the regulation. After receipt of this form and payment, the Division of Accounting sets up a file on the student and will issue bills thereafter, if necessary. The completion of this form appears to be the connecting link between the denial of a tuition waiver and evidence of a pupil's enrollment, which is essential for the proper billing/collecting of tuition.

Some schools apparently do not understand the tuition collection procedure. For example, in the survey of 111 schools discussed earlier, 22 respondents, or 19.8 percent, said they did not collect tuition because someone else was collecting. They said collections were made by Finance, the International Student Admissions Office, the main office, or some other office. These offices are not responsible for collecting tuition, except for Financial Services, after an account has been established.

Financial Services collection procedures are adequate once it has been notified by a school that a nonresident student has been enrolled, an initial payment is collected, and additional tuition payments are to be made. An account receivable is established for each nonresident student and invoices are issued, when appropriate. The director of financial services

follows-up on all outstanding invoices not paid in a timely manner. In the last several years, some cases have been turned over to an attorney and payment received before court action was taken. And, in other cases, court action was taken.

Conclusions

There is confusion in the school system as to who should collect nonresident tuition and when it should be collected, and the situation is worsened by a counter productive procedure which puts needless burdens on principals. As a result, MCPS is not collecting a portion of the nonresident tuition owed to it.

Collecting nonresident tuition is not a proper role for schools to be performing. Rather, tuition should only be collected by the Department of Financial Services. The regulation should be changed to specify how tuition is to be collected and the circumstances under which schools may enroll nonresident students.

The Department of Financial Services should also institute collection control procedures 1/ to assure that nonresident students have not been enrolled without paying tuition. They should issue periodic reports to schools on tuition collected for their nonresident students and intervene to deny admission or withhold records when accounts are in arrears.

Recommendations

It is recommended that MCPS Regulation JED-RA be revised to provide for the collection of nonresident tuition as follows:

- All nonresident tuition will be paid by the parent/guardian directly to the Department of Financial Services.
- Schools shall not enroll nonresident students at the time of original entry without written evidence that (1) the Department of Financial Services has either collected a full semester of tuition or an amount under an approved payment plan or (2) a waiver of tuition has been approved.

1/ Collection control procedures are not necessarily a proper role for the Department of Financial Services to perform but, under the present organizational structure, they are in the best position to fulfill the role. The director of financial services has stated that a new position would be required to carry out the additional tasks.

The additional tasks would be fulfilled more properly by a separate administrative office responsible for administering the entire nonresident tuition program. The need for a full-time administrative unit is discussed in Chapter 9.

- Schools shall not enroll nonresident students (1) whose waiver of tuition has not been approved or (2) who are in the process of appealing an unfavorable decision, without written evidence that the Department of Financial Services has either collected a full semester of tuition or an amount under an approved payment plan.
- Any approved payment plan must require the payment of tuition on a "pay-as-you-go" basis, projected to the date a decision is expected to be reached and updated as necessary. Only the associate or deputy superintendent may approve a payment plan, and then only in very unusual circumstances.

It is recommended that the Department of Financial Services institute collection control procedures to include the following:

- Every 30 days, follow up with school principals on the enrollment status of all nonresident students who were denied a waiver of tuition and who have not paid tuition. If the student is not enrolled, notify the program administrator. If enrolled, take immediate action to collect tuition, have the student removed from school, or withhold grades and records.
- Take immediate action to collect tuition in arrears more than 30 days, have the student removed from school, or have the student's records withheld.
- Periodically provide each school with a list of all its nonresident students who are paying tuition and the status of their payments.
- At the beginning of each new school year, provide schools with a list of all nonresident students who owe tuition for the previous school year. Advise schools that these students may not be enrolled until all tuition is paid.

The need for a full-time Administrative Unit to assist in the foregoing recommendations is discussed in further detail in Chapter 9.

POLICY NEEDED ON REFUNDS OF TUITION DEPOSITS

MCPS has no stated policy on making refunds of deposits for nonresident students who are eventually granted waivers of tuition. Since refunds are not automatic, a written request must be received.

Until recently, it was MCPS practice to refund deposits only from the date the waiver was granted and not retroactively to whenever the conditions for a waiver had been satisfied. This practice was not universally accepted and caused problems. Guardians who appealed the practice usually received full refunds.

In May 1986, the Tuition Waiver Review Committee was directed to determine whether a refund of a down payment should be approved along with the tuition waiver approval. A recent legal opinion 1/on this issue stated in part:

...it is our opinion that the practice of retaining deposits of students who successfully appeal the decision to impose tuition is inconsistent with local policy, State Board opinion, and Maryland law regarding establishment of a system of free public schools.

...The practice of retaining deposits means that those who have been determined to meet residency requirements are not receiving a free public education, but in fact are paying one-tenth of the cost of that education which is inconsistent with law or it means that non-resident students who are entitled to waiver because a crisis situation exists are paying one-tenth of the cost of education in order to assert their appeal rights.

Later, the administration decided that refunds should be made for that portion of the deposit which covered a period subsequent to the effective date that residency or other requirements were met.

Conclusions

MCPS needs a formal written policy on refunding tuition deposits for nonresident students who have been granted a waiver of tuition. Refunds should be made for that portion of the deposit which covers a period subsequent to the effective date when MCPS residency and/or other requirements were met.

Recommendation

It is recommended that MCPS adopt a formal written policy on refunding tuition deposits so that nonresident students pay tuition only for that period when they are not bona fide residents of Montgomery County.

1/ Opinion from MCPS lawyer in letter dated July 7, 1986.

Chapter 9

ADMINISTRATIVE ISSUES

Discussions in previous chapters indicate that some nonresident students are attending MCPS without the payment of tuition. These nonresident students may be classified as follows:

- Students not identified as nonresidents at the time of enrollment
- Students who were granted a tuition waiver but did not provide proof of residency and/or guardianship as required by MCPS policy JED
- Students who were denied a tuition waiver but monies owed were not collected

These problems can be minimized and the entire program made more effective and efficient by 1) developing a full-time administrative unit, 2) revising and expanding the makeup of the Tuition Waiver Review Committee, 3) using a hearing examiner in the appeals process, and 4) implementing procedures discussed in Chapter 8 for collecting tuition. Such arrangements would allow for the proper separation of the duties of data gathering, decision making, and tuition collecting. These matters are discussed below.

FULL TIME ADMINISTRATIVE UNIT NEEDED

Currently, no one individual has direct responsibility for all aspects of the tuition waiver review program; and all of the people involved in this program have other primary duties and responsibilities. Staff does not have sufficient time to do justice to the tuition waiver review program and also perform their primary assignments in an efficient and effective manner.

It was suggested earlier that the creation of a full-time administrative unit would improve this situation. Such a unit would assure that proper control is maintained over all of the various activities and functions involved in the tuition waiver review process and that the full and proper amount of nonresident tuition is collected. This unit should be fully cost-effective, as discussed later in this chapter.

Duties of Administrative Unit

Some of the duties that this unit would perform are discussed in the following sections.

Requests for Waivers

- Assure that adequate documentation as to residency, guardianship, and crisis is received with the request for waiver of tuition, as required, before it is accepted for consideration by the Tuition Waiver Review Committee unless the first semester's tuition is paid in advance

- Independently verify or otherwise check questionable addresses, statements, and other documentation, as necessary
- Maintain an accurate and permanent record of pertinent information on each request for waiver of tuition and a summary record of the decisions reached on each student at each stage of the review and appeal process. These summary records should be tied directly to the annual report to the Board.
- Analyze and compare recorded information each year and over a period of years. For various periods, for example, the data could be summarized and compared chronologically by date of request or other crucial date, alphabetically by student name or by guardian name (especially from year-to-year to identify a guardian who may be sponsoring different students), by areas and by schools, by approvals and denials at different levels, by visa class and/or country, by state and/or county, and by similar revealing analyses.
- Insure that proper tuition is collected for all nonresident students in accordance with established policy and regulation
- Establish a retention-of-records policy for the tuition waiver files and maintain them accordingly

Identifying Nonresidents

- Periodically review pupil enrollment records to identify nonresident students who have been enrolled without the payment of tuition
- Selectively verify addresses of resident students
- Determine why pupil enrollment records do not contain addresses on some students and correct the record, as necessary
- Review enrollment records for names of students who have been denied a waiver of tuition and, if enrolled, determine that they are paying tuition or take other appropriate action
- Provide support to schools in their efforts to identify nonresident students

Appeals

- Obtain all necessary documentation for the appeals process
- Assure that all decisions reached at the appeals level are carried out

Training and Guidance

- Provide necessary training and guidance to schools and other offices on nonresident tuition policies and procedures and provide direct assistance as required
- Enforce the policy and regulation and propose changes as appropriate

Reports

- Design and prepare accurate, complete, and current reports to the Board and to management on a timely basis 1/

Estimated Costs of Administrative Unit

For purposes of estimating the cost of an administrative unit, it was assumed that an administrator would command a salary of about \$30,000 to perform the types of duties previously outlined, supported by an office assistant I at grade 9. It was also assumed that a Hearing Officer would be needed for about 200 days the first few years at \$100 a day. A computer, linked to the pupil enrollment record data base, would also be required to perform the necessary analyses and verifications of data. On these bases, this unit would cost about \$87,000 in school year 1986/87 as follows:

ESTIMATED COSTS

Salaries

Administrator	\$30,000
Office Assistant I, Grade 9, Step A	15,800

	45,800
Fringe Benefits @ 36 percent	16,500
Computer Hardware and Supplies	5,000

	67,300
Hearing Officer (200 days @ \$100/day)	20,000

TOTAL ESTIMATED COSTS	\$87,300
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1/ One example of a current reporting question is the difference between the annual tuition report and the requirements for that report in policy JED. One requirement is to list the names of individual students in the report. Because such a list in a public report might be in violation of the federal Privacy Act, staff has not included it. This and other discrepancies need to be researched and procedures adjusted as necessary to improve overall reporting.

Total estimated costs do not include overhead charges of about \$12,700. On the other hand, the actual costs for operating under the present system have not been deducted as an offset to the estimated costs. Also, the estimated costs are not necessarily additional or incremental costs to the system in that one or both of the positions may be obtained by reconstituting existing positions from elsewhere in MCPS.

Estimated Benefits of Administrative Unit

Estimated annual benefits of up to \$638,200 (made up of a combination of potential revenue increases and cost avoidances, not all of which are necessarily reflected in the operating budget) for a full-time administrative unit were derived from assumptions pertaining to additional denials of tuition waiver requests, identifying additional nonresident students, and improved collection activities. A summary of these assumptions follows, with a detail discussion given in Appendix VIII.

- Additional denials of tuition waiver requests will occur since the individual administering the program will have the opportunity to perform a more aggressive and penetrating analysis and evaluation of each tuition waiver request. Taking into account the increase in number of tuition waiver requests and the increase of denials, it is estimated that, if a full-time administrator is assigned, an additional 41 students will either pay tuition (added revenue) or elect not to attend (cost avoidance) because of the tuition charge.
- Increased efforts in identifying nonresident students, as described in Chapter 7, would lead to the uncovering of additional nonresident students who are not paying tuition. A conservative estimate is 1/10th of 1 percent of regular enrollment for school year 1986/87, or 91 additional nonresident students will make the same choice between either paying tuition or not attending because of these increased efforts.
- Improved collection activities, as described in Chapter 8, should assure that once a nonresident student has been identified, all tuition owed by this student will be collected. The 1985/86 figures of \$57,000 not collected and \$12,000 forgiven students denied waivers, as described in Chapter 8, were used under this assumption.

A summary of estimated benefits is as follows:

ESTIMATED BENEFITS

Additional denials of tuition waiver requests	\$176,800
Identification of additional nonresident students	392,400
Improved collection activities	69,000

Total Estimated Benefits (added revenue or cost avoidance)	\$638,200

Since the estimated cost of the new administrative unit was shown to be \$87,300, the unit would be fully cost-effective even if these estimates of benefits were not fully reached or not reached in the first year or two.

Location in MCPS

Although no recommendation regarding the MCPS organizational location of the administrative unit is included in this report, four possible locations were considered during the audit. These locations are presented in the following paragraphs:

— Office of the Associate Superintendent for
Special and Alternative Education

This location was considered primarily because it is the location of the staff most closely associated with the current tuition waiver review process and because it permits close coordination between the International Student Admissions Office and the administration of the tuition process. However, since not all nonresident students are international students or special education students, there is no particular reason other than historical to locate the new unit here.

— Office of Deputy Superintendent

This location was considered because the Deputy Superintendent's Office has a direct line relationship over area offices and schools and would give an improved tuition process the exposure and clout which may be needed. On the other hand, an office with such specific responsibilities may not receive adequate attention at this level in the organization because of competition with broader responsibilities.

— Department of Financial Services

This location was considered because it could provide close control over the assessment and collection of tuition. However, the new administrative unit would be responsible for more than financial matters, and these other responsibilities may eventually be neglected or overlooked within the Financial Services organization. Furthermore, Financial Services has no line authority over area offices and schools.

— Area Administrative Offices

These three combined locations were considered because they have a close association with schools and available pupil personnel workers. This location, however, would lack consistency, involve more people, and probably be more expensive.

The unit must have full authority over nonresident tuition matters and a close association with area offices and schools, regardless of where it would be located in the organization.

REVISE TUITION WAIVER
REVIEW COMMITTEE MEMBERSHIP

MCPS Regulation JED-RA states that the Director of the Department of Financial Services must serve on the Tuition Waiver Review Committee or appoint a designee to serve. There are no other requirements regarding the makeup of the committee.

The Tuition Waiver Review Committee is presently composed of two members--a representative from the Deputy Superintendent's Office and a designee of the Department of Financial Services from the Division of Accounting. The supervisor of interagency and alternative programs reviews the waiver requests and makes recommendations to the committee when it meets.

The MCPS Regulation should be reassessed in regard to having an individual from the Department of Financial Services serve on the committee. Individuals in this department, among other things, are primarily responsible for collecting monies owed to the school system. Consequently, for good internal control, they should not be placed in the possibly conflicting position of also deciding who should or should not be paying nonresident tuition.

The number of members on the Tuition Waiver Review Committee should also be reconsidered. In many instances, for example, only one member of the committee is making decisions when the other member cannot attend a scheduled meeting. Additional members are needed so that these important decisions can be more widely discussed and shared.

It seems most appropriate for the Tuition Waiver Review Committee to be composed of representatives from the Deputy Superintendent's Office, the Office of the Associate Superintendent for Special and Alternative Education, and the three area offices. These offices should be represented because:

- The Deputy Superintendent's Office has overall responsibility for the program and the administration of the schools.
- Much responsibility for the tuition waiver review program is already located within the Office of the Associate Superintendent for Special and Alternative Education, as is responsibility for the International Students Admissions Office.
- Each area office should be represented on the committee because their close association with schools would enable them to provide advice, counsel, and feedback on the enrollment and tuition waiver review processes.

Because it is important that all offices be represented at each meeting of the Tuition Waiver Review Committee, alternate members should be designated by each office to attend in the absence of the regularly assigned member.

HEARING OFFICER SHOULD BE USED FOR THE APPEAL PROCESS

The current procedure for appealing the denial of a waiver of tuition by the Tuition Waiver Review Committee is cumbersome and time consuming. The use of a hearing officer with final administrative authority to approve or deny an appeal would help to overcome these problems. It would also avoid the "appearance" of a system which eventually approves waivers of tuition for applicants who persist in elevating their appeals to higher administrative levels.

Under present procedures, a first appeal is made to the director of the Department of Interagency, Alternative, and Supplementary Programs. In school year 1985/86, for example, this official considered 95 appeals of denials by the Tuition Waiver Review Committee and approved 47, or almost half, of those cases appealed to him. Second appeals are made to the associate superintendent level. This official considered 30 appeals of denials by the director and approved 17, or 57 percent, of those cases appealed to him. Some few cases have also been appealed to the deputy superintendent or the president of the Board.

A hearing officer would develop special insight and expertise in the area of nonresident tuition, make more rapid and uniform decisions, and consistently apply the policy and regulation. The hearing officer would also have more time to review case histories and to document proceedings and decisions. A precedent for such a hearing officer has been established in the appeal process for student transfer requests.

CONCLUSIONS

A full-time administrative unit is needed to manage the nonresident tuition program in an efficient and effective manner. This alone should be sufficient to justify such a unit. However, it is also believed that a full-time administrative unit identifying additional nonresident students and assuring the full collection of all nonresident tuition will provide significant benefits that will more than compensate MCPS for the cost of such an unit.

MCPS would benefit from changing and expanding the membership of the Tuition Waiver Review Committee. Expansion would bring a broader perspective to the decision-making process and permit better feedback of information to schools and the administration. Additional members and alternates should be appointed.

The appeals process involves the time and effort of high-level officials already dealing with a plethora of other significant responsibilities. Using a hearing officer with final administrative authority to approve or deny an appeal would (1) relieve busy administrators from the appeals process, (2) add to the efficiency and effectiveness of the nonresident tuition program, and (3) provide additional assurance that the full and proper amount of nonresident tuition will be collected.

RECOMMENDATIONS

It is recommended that a new administrative unit be established to manage the entire tuition waiver review program, that the makeup of the Tuition Waiver Review Committee be changed and expanded, and that a hearing officer be used for ruling on appeals of decisions of the Tuition Waiver Review Committee.

Chapter 10

OTHER POLICY ISSUES

As stated in the Introduction, Chapter 1, this examination of enrollment and tuition procedures for nonresident students was undertaken primarily to address the following three objectives:

- To review and report on the consistency and completeness of the existing MCPS policies and regulations relating to tuition for nonresident students
- To evaluate and verify current operations and practices in terms of the existing policies and regulations
- To recommend administrative modifications which would correct procedural discrepancies or otherwise improve the efficiency or effectiveness of the nonresident tuition process

The preceding chapters have presented the findings, conclusions, and recommendations which relate to the three audit objectives; and the overall results are summarized in the next chapter.

However, as often happens in the course of an audit and the review of the draft report, affected parties have raised additional questions which go beyond the intended scope of the audit and beyond the existing Board of Education policies. These additional questions have not been subjected to audit testing and evaluation, and no audit findings or conclusions were developed.

Nevertheless, these policy questions are presented in this chapter so that the Superintendent and the Board of Education and other readers of the report may make their own determination as to whether or not the additional issues should become a part of policy discussions. Solely for purposes of clarification, brief explanations or examples of these issues are included following each question. Where issues are deemed serious, extensions of Board policy into these areas may be indicated.

SHOULD MCPS BE SELLING ITS EDUCATIONAL SERVICES?

Although it is generally agreed that MCPS is legally obligated to provide a free public education to resident county students, the question here is whether or not there should be any implied obligation to offer those same educational services to nonresidents, even if tuition is paid. In a period of decreasing class size, increasing enrollments, and growing capital construction, does a school system fully recover through tuition the total fiscal impact of each additional nonresident student it enrolls? Should the tuition policy be changed to prohibit as many nonresidents as possible from enrolling in MCPS?

SHOULD THE DEFINITION OF "RESIDENCY" BE CHANGED?

The discussion in Chapter 3 as to whether the current definition of "residency" includes a grace period when there is "an intent to reside" in the county is one example of how the definition may be changed. However, broader changes are also possible. For example, the definition could be made more restrictive by excluding students who are obviously temporarily residing in the county, as evidenced by certain visa categories or other indicators. 1/ Or the definition could be expanded to consider as "resident" any student who is physically living in the county.

SHOULD ANY CATEGORY OF VISA AUTOMATICALLY EXCLUDE OR INCLUDE STUDENTS, OR MANDATE THAT STUDENTS PAY TUITION?

An example of a potentially excluded visa category might be B-2, which is a visitor to the United States here for pleasure. Theoretically, a student on such a visa would not be here to attend school, and this status would be related to the previous question of "obviously temporary residency." An example of a category which might be enrolled, but automatically required to pay tuition, might be the F-1 student category. These students are in the United States solely for the purpose of attending school and have indicated to the Immigration and Naturalization Service that they can afford to pay tuition. A third example of a visa category which is currently admitted without tuition are the J students who are here as exchange students under recognized international programs.

SHOULD NONRESIDENT STUDENTS BE SUBJECT TO THE SAME RESTRICTIONS AS MCPS INTERNAL TRANSFER STUDENTS?

Policy statement JED: Nonresident Tuition already provides that nonresident students may be denied admission to MCPS if there would be detrimental effects by the enrollment upon racial balance or other relevant factors. Policy statement JEE: Student Transfers is more explicit in that it establishes specific factors, including racial balance and overcrowding, which cause a school to be closed to students who want to transfer in. Should the two policies be connected in such a way that any school closed to other MCPS students would also be closed to nonresident students, even if the latter are willing to pay tuition?

1/ The State Board of Education ruled in the case of David Armour v. Board of Education of Montgomery County (summarized in Chapter 3) that neither the state nor the counties may substitute the location of permanent **domicile** for the location of **residency** in determining those eligible for free public education. This ruling establishes a limit to the definition changes which the local Board of Education may make.

SHOULD TUITION CHARGES BE ESTABLISHED ON A FEE-FOR-SERVICES BASIS?

Fixed, average tuition rates are currently established each year for students entering at the grade levels of kindergarten, elementary, and secondary and entering any special education program. No distinction is made among the types of special education programs regardless of the wide disparity of actual costs to MCPS, and no charges are made for additional services to regular students, e.g., ESOL. Tuition rates could be structured to take into consideration the true costs associated with specialized programs and services.

* * * * *

The answer to each of these questions has significant implications for both MCPS and the students potentially involved. It was evident during the course of the audit that there are spokespersons for both sides of each issue raised in this chapter and that these spokespersons often have strong feelings pro or con. Therefore, if the Superintendent or the Board of Education elects to add any of these questions to their policy discussions regarding nonresident tuition, considerably more information would be needed than could be presented in the brief summaries of this chapter.

Chapter 11

SUMMARY OF REPORT RECOMMENDATIONS

The findings, conclusions, and recommendations in this report suggest that MCPS administrators need more specific direction and clarifications from the Superintendent and the Board of Education regarding its intent on the Nonresident Tuition policy and related administrative matters. The policies and administrative matters which need to be addressed are as follows:

POLICY CONSIDERATIONS

- Provide guidance to staff as to what constitutes a true crisis situation and the extent and type of documentation that must be obtained in support of particular crises situations
- Consider requesting a formal legal opinion as to whether the MCPS has a legal responsibility to notify the Immigration and Naturalization Service of undocumented aliens attending MCPS
- Establish a policy regarding grace periods for meeting the requirement of residency or reaffirm existing regulations which do not allow grace periods
- Revise Policy JED, Section G, Process, which outlines certain position responsibilities in the waiver process. These revisions would include (1) establishing a full-time administrative unit, (2) revising and expanding the makeup of the Tuition Waiver Review Committee, and (3) establishing the position of a hearing officer.
- Consider whether the policy questions discussed in Chapter 10 should become a part of the policy discussions

ADMINISTRATIVE MATTERS

Enrollment

- Require that parents/guardians sign an affidavit as to their bona fide residency in Montgomery County as a prerequisite to original enrollment in the public schools, and acknowledge that full tuition must be paid for any period(s) of nonresidency
- Establish that a nonresident student not be enrolled in a school without written evidence that (1) Financial Services has either collected a full semester of tuition or an amount under an approved payment plan or (2) a waiver of tuition has been approved.

Waiver Criteria

- Signify that proof of bona fide residency, guardianship, and crisis are the only criteria for determining whether a nonresident student is entitled to a waiver of tuition and, except for F-1 student visas, recognize that visa status is an indication of one's intentions but not a determining factor in the tuition waiver process
- Require that a request for waiver of tuition not be accepted for consideration by the Tuition Waiver Review Committee without the required proof of residency and guardianship unless a full semester's tuition is paid in advance. When tuition is paid in advance, refunds should be made for amounts paid for periods after the effective date of residency or guardianship.

Students With F-1 Visa Status

- Screen all requests for F-1 student visas so that MCPS assists in the process of obtaining an F-1 visa for only bona fide students intending to pay for their education in this country
- Obtain advanced agreement from the receiving school principal to accept an international student seeking an F-1 visa
- Obtain associate superintendent level certification on the documentation provided to the Immigration and Naturalization Service
- Require international applicants for F-1 student visas to pay a full year's tuition in advance before MCPS releases its certification to the Immigration and Naturalization Service. Provision should be made for the return of any money paid in advance should the student not enroll in the school system.
- Require an international student with an F-1 student visa to continue to pay a year of tuition in advance for each succeeding year of enrollment in MCPS or not be permitted to enroll

Payment Requirements and Collection Control

- Require that all nonresident tuition be paid by the parent/guardian directly to the Department of Financial Services
- Establish that the associate or deputy superintendent should be responsible for approving payment plans under unusual circumstances
- Establish that the Department of Financial Services should be responsible for collecting all tuition payments and providing reports and records of payments to schools and other administrators

Position on Refunds

- Adopt a formal written position on refunding advanced tuition payments so that nonresident students pay tuition only for that period when they are not bona fide residents of Montgomery County.

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Once the Board and Superintendent have clarified nonresident tuition policy and stated their position on the related administrative matters summarized above, changes should be made in the regulation and approved actions implemented.

Related Entries: JEB-RA, JEB-CA, JED-RA

Nonresident Tuition

WHEREAS, The State Board of Education invalidated the tuition policy adopted by the Montgomery County Board of Education on August 20, 1979; and

WHEREAS, The proposed policy was prepared to comply with the State Board of Education opinion of September 17, 1979; now therefore be it

Resolved, That the Board of Education Policy 752-79, dated August 20, 1979, is hereby rescinded and that the following policy of nonresident tuition is adopted by the Board of Education, effective October 10, 1979:

- A. Resident Students—All qualified school-age persons who have an established bona fide residence in Montgomery County shall be considered resident students and shall be admitted tuition free to the Montgomery County Public Schools
- B. Nonresident Students—All qualified school-age persons who do not have an established bona fide residence in Montgomery County shall be considered nonresident students and may be admitted to the Montgomery County Public Schools but tuition shall be charged and paid unless waived
- C. Exception—Nonresident students shall be admitted if:
 1. The nonresident student has an established bona fide residence in a Maryland county adjacent to Montgomery County, the Montgomery County public school is the nearest school, and the sending county agrees to pay the full tuition
 2. The nonresident student is an American Field Service student or other exchange student in a Board of Education of Montgomery County approved exchange program holding a valid J. visa for whom complete plans have been made by the International Student Admissions Office, the principal, and sponsoring family. Tuition shall not be charged. (See International Student Admissions Handbook)
- D. Criteria

In implementing the Enrollment and Tuition for Nonresident and International Students, the following criteria shall apply:

1. A qualified school-age student who is 18 years of age or over and ~~otherwise emancipated~~ ^{essentially self-supporting or} may an emancip- establish a bona fide residence in Montgomery county without regard to residence of the pated minor parents. Tuition shall not be charged to such resident students 1/
2. The bona fide residence of a qualified school student who is under 18 years of age and not emancipated is the bona fide residence of both or one of the child's parents. If the parents live apart, the child's bona fide residence is the bona fide residence of (1) the parent to whom legal custody is awarded or (2) if legal custody is not awarded, the parent with whom the child regularly lives. Tuition shall not be charged if said parent has an established bona fide residence in Montgomery County.
3. A qualified school-age student residing with a court-appointed guardian, who has an established bona fide residence in Montgomery County, shall be considered a resident student and admitted tuition free to the Montgomery County Public Schools, if it is shown

1/ Change agreed to by the Board's lawyers

that said guardianship was obtained for necessary reasons concerning the child, and not for the sole or primary purpose of avoiding nonresident tuition or for convenience of the persons involved

4. A qualified school-age student placed in a group home or foster home located in Montgomery County shall be considered a nonresident student, unless the placement is made by the Departments of Social or Juvenile Services of Montgomery County or the State of Maryland
5. A qualified school-age student under 18 years of age who is living in Montgomery County with friends or relatives who are not parents or court-appointed guardians shall be considered a nonresident student
6. Bona fide residence is one's actual residence maintained in good faith and does not include a temporary residence or a superficial residence established for the purpose of free school attendance in the Montgomery County Public Schools. Determination of a person's bona fide residence is a factual one and must be made on an individual basis. Although an intent to reside indefinitely or permanently at the present place of residence is not necessarily required, many of the following factors will be pertinent in determining one's bona fide residence—place of voting; payment of taxes and statements on tax returns; ownership of property; the address at which one receives mail; statements as to residency contained on contracts or other documents; statements of licenses of governmental documents; where furniture and other personal belongings are kept; what jurisdiction's banks are utilized; membership in professional, fraternal, religious, or social organizations; where one's regular physicians and dentists are located; where one maintains charge accounts; and any other facts revealing contact with Montgomery County.

E. Qualifications for Admission of Nonresident Students

Nonresident students may be denied admission to the Montgomery County Public Schools if any one or more of the following conditions exist:

1. The student is not of school age or has completed graduation requirements for a high school diploma
2. The student is a danger to himself/herself or others
3. The student does not meet the enrollment criteria for the school system of his/her bona fide residence
4. The student does not meet the enrollment criteria of Montgomery County Public Schools for resident students
5. There is not available space in the requested and proposed Montgomery County public school
6. There would be a detrimental effect by the enrollment upon racial balance or other relevant factors
7. Necessary enrollment information is not provided and updated
8. The tuition fee is not paid in advance
9. Other good cause is shown to deny admission.

F. Tuition

The full tuition rate for kindergarten, Grades 1-6, junior high and senior high school for each school year shall be based on the estimated cost for the current year which shall include debt

JED

and shall reflect as nearly as possible the actual cost of educating said students. service/ The tuition rate for special education students shall reflect as nearly as possible the actual cost of educating said students. The rate of tuition for the children of full time employees who reside outside of the county will be one-half of the annual rate of

G. Process tuition for all other nonresident students. 1/

1. The Department of Interagency, Alternative, and Supplementary Programs shall be responsible for the identification of nonresident students and recording their tuition status based upon the annual tuition rates announced by the director of financial services.
2. Requests for tuition waiver shall be acted upon first by the supervisor of interagency and alternative programs who will make a recommendation to the Tuition Waiver Review Committee. First level appeals of the committee's decision are made to the director of interagency, alternative, and supplementary programs (Section II.C. of JED-RA).
3. The director of interagency, alternative, and supplementary programs shall receive and act on all appeals of the decisions made by the Tuition Waiver Review Committee.
4. The superintendent shall issue operating procedures to guide all activities required to implement this policy.

H. Feedback

The superintendent shall provide a report for the Board of Education at least annually on the progress and problems regarding the implementation of this policy. Such a report will include, but will not be limited to, a listing of nonresident students by name, area, school, county, state, and/or country of domicile or residence and type of visa. It will also indicate the number of students paying tuition and the number granted waivers.

Resolution No. 865-79, October 9, 1979

1/ Approved by Resolution 662-82, August 23, 1982.

MONTGOMERY COUNTY PUBLIC SCHOOLS

JED-RA

ADMINISTRATIVE REGULATION

Related Entries: JEB-RA, JEB-EA, JED

Office: Associate Superintendent for Special and Alternative Education

Enrollment And Tuition For Nonresident And International Students

I. PURPOSE

To establish the procedures for admitting, enrolling, and placing international students as well as determining tuition charges and collecting tuition for all nonresident students and for assigning responsibilities at the school, area, and central office levels for the enrolling and reporting of international students and accounting for tuition charges collected from nonresident students

II. PROCEDURES

A. Admission, Enrollment, and Placement

1. International Students

All international students shall be processed for admission, enrollment, and a recommended placement through the International Student Admissions Office (ISAO) in accordance with procedures described in the *International Student Admissions Handbook*.

a) Responsibilities of the Local School Principal

- (1) Determine if student is an international student by examining visa and/or birth certificate and other necessary documentation
- (2) Refer all international students to the ISAO
- (3) Review and implement placement recommendation of ISAO
- (4) Notify the ISAO when the school recommends a change in the placement recommendation or the student is absent 25 days
- (5) Collect full semester tuition prior to enrollment unless:
 - (a) The Department of Financial Services approves alternate payment plan; then collect first payment of this amount
 - (b) Notified in writing to collect 10 percent of annual tuition amount because a waiver of tuition form has been submitted and the decision is pending
 - (c) Waiver of tuition has been approved in writing
- (6) Inform the ISAO when an international student is transferred from one school to another within the MCPS
- (7) Forward to the ISAO all immigration information on file when the student withdraws or graduates from the MCPS upon request and provide information to the ISAO in order to meet the needs of the Board of Education and superintendent.
- (8) Direct inquiries from public and private organizations regarding admission, enrollment, and placement of international students to the ISAO for review and response

b) Responsibilities of the International Student Admissions Office

- (1) Verify the student's residence as documented by rental receipts, lease agreements, or property titles

- (2) Inform parents, public, and private organizations of requirements regarding visa status, immunization, tuition payments, tuition waivers, and appeal procedures
- (3) Verify each student's birth date and current status by reviewing Forms I-94, I-20, I-538, and other relevant documents
- (4) Review the students educational history prior to recommending grade placement
- (5) Inform the area office and the local school of students who may have special needs
- (6) Complete MCPS Form 335-57, *International Student Registration and Grade Placement*
- (7) Inform the coordinator of interagency programs of the withdrawal of international students for purposes of record keeping and secure tuition refunds from the director of the Department of Financial Services
- (8) Determine the tuition status of the student
- (9) Inform the parent(s) or guardian(s), if necessary, of the annual tuition rates and direct him/her to the local school for the payment of tuition prior to enrollment
- (10) Inform parent(s) or guardian(s) of the procedures to apply for waiver
- (11) Inform the local school of the student's tuition status
- (12) Compile and provide an annual report to the director of interagency, alternative, and supplementary programs, including the name, school, country, visa, and tuition status
- (13) Assist students in completion of enrollment forms before sending students to the appropriate school

2. All Other Nonresident Students

All other nonresident students shall be processed for admission and enrollment by the local school or the supervisor of interagency and alternative programs as described below:

a) Responsibilities of the Local School Principal

- (1) Determine if the student is a nonresident by establishing that he/she does not meet the criteria of a bona fide resident as defined in Section D, of Policy JED.
- (2) Refer any question concerning the determination of a bona fide residence and other qualifications (Section D and E of Policy JED) to the supervisor of interagency and alternative programs
- (3) Collect full semester tuition from nonresident students at the time of original entry. Forward tuition with completed Form 560-20 Nonresident Student Enrollment to the Department of Financial Services. Nonresident students may not begin classes without the payment of tuition unless:
 - (a) The Department of Financial Services approves alternate payment plan; then collects first payment of this amount
 - (b) Notified in writing to collect 10 percent of annual tuition amount because a waiver of tuition form has been submitted and the decision is pending
 - (c) Waiver of tuition has been approved in writing

In cases where a nonresident student is not immediately identified and has entered school without tuition payment, the principal will allow one week for submittal of tuition after which the student must be withdrawn until tuition is paid.

- (4) Notify the Department of Financial Services when:

- (a) A nonresident student is enrolled
- (b) A nonresident student withdraws
- (c) The tuition obligations are not met
- (5) Inform parent(s) or guardian(s) of the procedures to apply for a tuition waiver
- (6) Forward all requests for tuition waiver to the supervisor of interagency and alternative programs for review
- (7) Upon request, provide information to the director of interagency programs and student placement regarding nonresident students, including their names, place of bona fide residence and tuition status, and other relevant information
- b) Responsibilities of the Supervisor of Interagency and Alternative Programs
 - (1) Act as a resource to local schools and area offices regarding new developments relevant to the admission and enrollment of nonresident students
 - (2) Review all requests for tuition waiver and make recommendations to the Tuition Waiver Review Committee
 - (3) Convene the Tuition Waiver Review Committee to make decisions upon recommendations for tuition waiver requests
 - (4) Inform the Department of Financial Services of nonresident students who are to pay tuition
 - (5) Maintain a record of those students who are wards of the Board of Public Welfare in other districts, living in foster homes in Montgomery County, whose tuition is to be paid by those districts
 - (6) Compile a quarterly report on all nonresident students including the county/state of residence, tuition status, and reason for waiver to inform the Board of Education and the superintendent as appropriate
 - (7) Conduct periodic follow-up on tuition waiver cases to insure that the conditions under which the waiver was granted remain unchanged
 - (8) Provide information regarding nonresident tuition fees and payment options as determined by the director of the Department of Financial Services
- c) Responsibilities of the Director of the Department of Interagency, Alternative, and Supplementary Programs
 - (1) Coordinate, review, and forward to the superintendent upon request a report on all nonresident students including their names, school, residence, visa, tuition status, and samples of crises for which waivers were granted
 - (2) Inform external agencies of the nonresident tuition policy and any changes that occur
 - (3) Provide to the area staff clarification and additional information regarding the policy and procedures and assist them in carrying out their respective responsibilities
 - (4) Hear appeals of decisions made by the Tuition Waiver Review Committee
 - (5) Maintain a record of all appeal decisions and the rationale for each
 - (6) Notify the school, the director of the Department of Financial Services, and the students who are approved to attend school
- d) Responsibilities of the Director of the Department of Financial Services
 - (1) Publish the annual tuition fees as established by the Board of Education

- (2) Send invoices to parent(s) or guardian(s) for tuition payments
- (3) Collect delinquent accounts
- (4) Provide, upon request, a report of income obtained from tuition charged to nonresident students
- (5) Serve or appoint designee to serve on the Tuition Waiver Review Committee

B. Tuition Criteria

1. Tuition fees are established annually by the Board of Education. Information concerning rates may be obtained from the Department of Interagency, Alternative, and Supplementary Programs or the Department of Financial Services.
2. Tuition is payable on a semester basis and is due before the first day of classes for that semester. Parents of students entering school during the semester must pay tuition before the student may attend classes. In cases of financial hardship, parent(s) or guardian(s) may request permission to pay tuition quarterly to the director of the Department of Financial Services. Interest shall be paid on the total unpaid balance at the rate of 1 percent per month on all accounts not paid within 30-days of the due date.
3. Students whose parents are planning to move into the county are subject to tuition charges up to the time they have established bona fide residence in Montgomery County.
4. Students moving out of Montgomery County may be permitted to continue to attend school in the county by paying tuition for the time they are nonresidents.
5. Students at the age of majority (18) who have not completed the requirements for graduation from high school and who wish to enroll, must provide proof of an established bona fide residence in Montgomery County.
6. Tuition is effective from the date of enrollment even though charges have been made pending investigation or the student is not identified as a tuition student until later in the school year.
7. Tuition may be prorated for less than a course load in secondary schools if that program has been approved by the principal. The payment schedule is as follows:
 - a) One course—25 percent of annual tuition
 - b) Two courses—50 percent of annual tuition
 - c) Three courses—75 percent of annual tuition
 - d) Four courses or more—100 percent of annual tuition
8. The prorating of tuition is based on the appropriate annual cost per pupil divided by the number of instructional days for the year in order to arrive at the daily cost. The resulting figure is multiplied by the number of instructional days that the student is enrolled in MCPS.
9. Refunds are not made for instructional days the student was absent but still enrolled in school. A student, once enrolled, remains so until officially withdrawn.
10. In cases where adoption or guardianship is planned and underway, tuition is prorated up to the effective date of the legal adoption or guardianship.
11. An international student in one visa category who has applied for a change of visa status is considered in the first category until the new visa is approved and issued.

C. Tuition Waivers

1. Criteria

Tuition may be waived when an appropriate application with accompanying documentation establishes that the student is in a crisis situation. A crisis is defined as an acute situation where the general welfare of the child is in actual jeopardy due to unforeseeable and uncontrollable circumstances which may include abuse or neglect, health or serious illness of the child's parent(s) or guardian(s), abandonment of the child, and/or other extremely undesirable and uncontrollable conditions in the home of the child's parent(s) or guardian(s). Tuition may be waived only for such period as the crisis is shown to exist by supporting documentation. Each waiver is to be reviewed as often as necessary to determine if crisis persists.

2. Process

- a) Applicants for a waiver of tuition must obtain a *Request for Waiver of Tuition*, Form 335-67, from the local school, the supervisor of interagency and alternative programs or from the ISAO.
- b) Upon receipt of the properly completed tuition waiver application with documentation, the supervisor of interagency and alternative programs will convene the Tuition Waiver Review Committee as soon as possible but no later than 15 working days after receipt of the application.
- c) The supervisor will forward in writing the committee's decision to the applicant within 10 working days of the committee's meeting. If the waiver has been denied, the procedures for an appeal will be included.
- d) An applicant who receives a waiver as a result of false information will be subject to tuition payment from the date of enrollment for which the waiver was granted, plus interest at the rate of 1 percent per month on the balance due over 30 days.

3. Appeals

An applicant for a tuition waiver who has been denied by the Tuition Waiver Review Committee may appeal to the director of interagency, alternative, and supplementary programs by complying with the procedures that follow:

- a) Parent(s) or guardian(s) interested in appeal must submit a written request for an appeal conference to the director of interagency, alternative, and supplementary programs within ten working days after receipt of the decision of the Tuition Waiver Review Committee.
- b) The request for appeal must include:
 - (1) A statement that the parent(s) or guardian(s) have reviewed the policy and regulations regarding the enrollment and tuition for nonresident students
 - (2) Any specific concerns or issues that were not satisfactorily addressed by the Tuition Waiver Review Committee
 - (3) New information, if any, having relevance to the decision made by the Tuition Waiver Review Committee
- c) The director of interagency, alternative, and supplementary programs shall conduct an appeal conference within 15 working days of receipt of the appeal application. The decision of the director shall be provided in writing within 10 working days of the appeal conference to the appellant, the supervisor of interagency and alternative programs, the director of the Department of Financial Services, and the local school that the student is eligible to attend, in addition to the ISAO, if appropriate.

- d) Should the appellant(s) find the decision rendered by the director of interagency programs and student placement to be unsatisfactory, the provisions as set forth in Montgomery County Public Schools Regulation Community Involvement—Inquiries and Complaints (see Section K) shall be invoked at the appropriate level. A copy can be obtained through the Department of Information in the Educational Services Center.

Administrative History: Formerly Regulation No. 560-1, February 26, 1981

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51 *February* September 1986

Tips 'n Techniques

Are you teaching somebody else's kids?

Whether your school system's per pupil costs are \$2,500 or \$6,000, you want assurance that every dollar spent is targeted to providing the best education possible for your community's children.

But could it be that some of those scarce dollars are being spent on children who aren't your responsibility?

Theft of services

Last year, the Bloomfield (Conn.) School District pressed larceny charges against several parents whose children were attending Bloomfield schools illegally.

"We get anywhere from 20 to 35 students a year who aren't actual residents," says Bloomfield superintendent Herbert Chester. "We're located right next to Hartford, an urban district, and I suppose parents perceive their children will get a better education in our schools. They use the address of a relative who lives in our community."

The school system now employs an attendance officer. "All children new to the system have to register in his office," says Chester. "That gives us a consistent approach to checking on information and the ability to conduct investigations. We still have kids registered illegally, but parents are withdrawing their children when they find out they're being investigated."

Sham guardianships

State laws generally prohibit students who are not legally domiciled in a community from attending that community's schools. But the definition of "domicile" or "legal resident" sometimes lacks specificity, enabling nonresident parents to place their children in the purported guardianship of a relative or friend who is a legal resident.

"One effect of the publicity surrounding last year's cases," says Chester, "was state legislation that tightened the criteria for determining domicile—tying domicile to who actually is supporting the youngster."

In North Carolina, a formal opinion

by the attorney general last December clarified the law for school systems as follows: "A person has domicile at a place if (a) he has abandoned his prior home, (b) has a present intent to make that place his home, and (c) has no present intention to leave the place."

In addition, the opinion states: "If either parent is living and capable of caring for the child, a guardian may not be appointed for the purpose of conferring on the child a right to attend a school in a district where the parent is not domiciled, absent unusual circumstances."

Develop procedures

Procedures for enrolling new students should give your school system the information needed to determine domicile according to your state's law. For example, the application form should require answers to standard questions from all applicants regarding domicile and custody arrangements. Useful information includes:

- name, address, and social security number of each parent and/or guardian.
- if parents live separately, who has custody, or under what arrangements is custody shared.
- who claims the child as a dependent for income tax purposes.
- who receives any financial support on behalf of the child, including welfare or social security benefits.

In addition, both parents and, if applicable, the person claiming residency should be required to sign an affidavit that the information provided is true. The intention of the school system to investigate should be clearly stated, as well as the requirement for tuition to be paid if residency claims are found to be untrue. (In states where a waiver from the school system of residency must be submitted before a student can enroll in another school system, applicants also should be informed of that requirement.)

Special exceptions

Should school systems be as strict about residency requirements for children who start the school year legally enrolled, but end it as residents of another jurisdiction?

The Arlington (Va.) public schools dealt with just that question last June. With 12 days left in the school year, the parents of two students wanted their children to finish the year in Arlington even though the family was moving to the neighboring jurisdiction. Arlington's answer: The family would have to pay tuition at the rate of \$24.36 per day for each child. The children changed schools.

"The current policy states that you have to be an actual resident," says Arlington superintendent Arthur Gosling. "That's one area where policy can be explicit. Judgment shouldn't enter into it."

Many school systems do allow students, especially twelfth graders, to remain enrolled without paying tuition if their family moves. Usually a cutoff date is included in the policy. Flexibility also could be applied at the start of the school year for those families planning to move into the community within a designated time.

Tuition-paying students

Some public school systems are perceived as being so desirable that families residing in other districts are willing—and eager—to pay tuition. State law may have strict prohibitions against the practice.

Where no prohibitions exist, school systems should establish policy. In Beverly Hills, Calif., for example, there is no provision for anyone to pay tuition; nonresidents simply are not enrolled. Other school systems limit tuition-paying students to those requiring special education services not available in their own schools. Still others accept tuition students, but only if there is space in the district's schools and if the placement will not affect racial balance. ■

APPENDIX IV
SCHOOL YEAR 1985/86
TUITION PAYMENTS BY LOCATION

<u>Location</u>	<u>Number of Individuals</u>	<u>Tuition Collected</u>
<u>Paid Voluntarily</u>		
U.S.		
Frederick County	2	5,526
Montgomery County	7	6,744
Prince George County	3	3,770
D.C.	46	181,818
Montana	1	1,263
<u>International</u>		
Cambodia	1	718
China	1	1,808
Indonesia	1	892
Iran	1	1,610
Japan	1	4,582
Korea	1	2,452
Spain	2	6,167
Sweden	1	2,105
Zaire	1	2,229
Total Collected for Those Who Paid Voluntarily	69	\$221,684

1/ Does not include \$136,722 collected from D.C. Welfare
for the 1985/86 school year.

APPENDIX IV

<u>Location</u>	<u>Number of Individuals</u>	<u>Tuition Collected</u>
<u>Waivers Denied</u>		
<u>U.S.</u>		
Frederick County	1	639
Montgomery County/No Crisis	1	4,582
Prince George County	4	929
D.C.	1	2,291
Virginia	1	3,566
<u>International</u>		
Africa	1	750
India	1	3,062
Iran	2	5,890
Taiwan	1	2,291
	<u>13</u>	<u>\$24,000</u>
<u>Waivers Approved</u>		
<u>U.S.</u>		
Howard County	3	1,272
Montgomery County/prior to meeting requirements	2	480
Prince George County	2	747
D.C.	1	229
Florida	2	304
North Carolina	1	458
Virginia	1	50
<u>International</u>		
Brazil	2	1,268
Iran	5	1,631
Korea	1	214
Taiwan	1	1,189
	<u>21</u>	<u>\$7,842</u>
Total Collected for Those Going Through Tuition Waiver Process	<u>34</u>	<u>\$31,842</u>
Total Collected 1985/86	<u>103</u>	<u>\$253,526</u>

APPENDIX V

MCPS INTERNATIONAL STUDENT ENROLLMENT June 26, 1986

	Visa Status <u>1/</u>	Number	Percentage
	-----	-----	-----
A1	Diplomatic/Consular	525	5.3
A2	Other Foreign	387	3.9
A3	Employee - A1	45	.5
B1	Temporary - business	6	.1
B2	Temporary - pleasure	605	6.1
C1	Alien in transit	1	.0
D	Crewman	1	.0
E1	Treaty trader	88	.9
E2	Treaty investor	19	.2
F1	Student	128	1.3
F2	Dependent/student	102	1.0
G1	Prin/rep Inter'n Org	75	.8
G2	Oth/rep Inter'n Org	4	.0
G4	Inter'n Organ	504	5.1
G5	Employee - G1	20	.2
H1	Temp/worker - merit	2	.0
H2	Temp/worker - serv	3	.0
H4	Spouse/Temporary	64	.6
I	Foreign media	75	.8
IA	Asylum	11	.1
IM	Immigrant	5442	54.9
IP	Parolee	4	.0
IR	Refugee	344	3.5
J1	Exchange visitor	50	.5
J2	Dependent/Exchange	385	3.9
K1	Engaged/U.S. citizen	1	.0
K2	Child of K1	5	.1
L1	IntraCo transferee	3	.0
L2	Dependent - L1	65	.7
NA	NATO	9	.1
OT	Other (illegal)	932	9.4
		----	-----
	TOTALS	9905	100.0
		=====	=====

1/ Visa Status at time of initial enrollment

APPENDIX VI

MCPS COUNTRY OF INTERNATIONAL STUDENTS ENROLLED June 26, 1986

Country 1/ -----	Number -----	Percentage -----
Korea	956	9.65
Vietnam	920	9.29
El Salvador	840	8.48
India	499	5.04
Taiwan	402	4.05
Iran	396	4.00
Cambodia	342	3.45
Jamaica	310	3.13
Japan	236	2.38
England	201	2.03
Brazil	188	1.90
Phillipines	175	1.77
Chile	172	1.74
Guatemala	165	1.66
Israel	164	1.66
Peru	162	1.64
Bolivia	160	1.62
China	158	1.59
Nicaragua	156	1.57
All other countries	3303	33.35
	----	-----
TOTAL-117 Countries	9905	100.00
	=====	=====

1/ Countries listed separately have over 150
students enrolled in MCPS

APPENDIX VII

MCPS ENROLLMENT OF INTERNATIONAL STUDENTS FOR SCHOOL YEAR 1985/86

	Granted Waiver	Denied Waiver	Paid Voluntarily	Enrolled As Residents	Total
Afganistan	1			82	83
Algeria				1	1
Angola	1			1	2
Antigua				1	1
Argentina	2			102	104
Austria				15	15
Australia				33	33
Bahamas				5	5
Bangladesh	2			61	63
Barbados				19	19
Belgium				18	18
Bermuda				2	2
Bolivia	3	1		156	160
Brazil	5			183	188
Bulgaria				5	5
Burma				27	27
Burundi				1	1
Cambodia	1		1	340	342
Cameroon				42	42
Canada	2			131	133
Central Af. Rep.				11	11
Chile	2			170	172
China	2	1	1	154	158
Colombia				125	125
Costa Rica	1	1		25	27
Cuba				33	33
Cyprus				5	5
Czechoslovakia				5	5
Denmark				13	13
Dominican Republic				73	73
Ecuador	3			63	66
Egypt				23	23
El Salvador	51	3		786	840
England	1			200	201
Ethiopia	6			84	90
Finland				10	10
France	4			59	63
Gambia				1	1
Germany	1			38	39
Ghana	4	1		66	71

APPENDIX VII

	<u>Granted Waiver</u>	<u>Denied Waiver</u>	<u>Paid Voluntarily</u>	<u>Enrolled As Residents</u>	<u>Total</u>
Greece	1			38	39
Grenada	1			6	7
Guatemala	8			157	165
Guinea				10	10
Guyana	5			140	145
Haiti	4	1		79	84
Honduras	2			59	61
Hong Kong	3			104	107
Hungary	1			28	29
Iceland				8	8
India	6			493	499
Indonesia			1	46	47
Iran	34	2	1	359	396
Iraq				5	5
Ireland				4	4
Israel				164	164
Italy				61	61
Jamaica	5			305	310
Japan	1		1	234	236
Jordan	1			48	49
Kenya				12	12
Korea	7		1	948	956
Laos				96	96
Lebanon	1			36	37
Lesotho	1			7	8
Liberia	6			49	55
Madagascar				3	3
Malagasy Rep.				1	1
Malawi				2	2
Malaysia				17	17
Mauritius				7	7
Mexico	3			74	77
Morocco				1	1
Nepal				5	5
Netherlands				38	38
New Zealand				18	18
Nicaragua	14	2		140	156
Nigeria	1			58	59
Norway	1			4	5
Pakistan				89	89
Panama				28	28

APPENDIX VII

	Granted Waiver	Denied Waiver	Paid Voluntarily	Enrolled As Residents	Total
Paraguay				12	12
Peru	1			161	162
Phillipines	2			173	175
Poland				30	30
Portugal				69	69
Romania				6	6
Saudi Arabia				3	3
Scotland				6	6
Senegal		1		1	2
Sierra Leone	3			33	36
Singapore				9	9
Somalia	2			9	11
South Africa				25	25
Soviet Union				60	60
Spain	5		2	78	85
Sri Lanka	1			26	27
Sudan				1	1
Sweden	1		1	18	20
Switzerland				7	7
Syria	1			19	20
Taiwan	11	2		389	402
Tanzania				31	31
Thailand	1	1		81	83
Togo				1	1
Trinidad	1			55	56
Trust Terr of Pac				1	1
Tunisia				5	5
Turkey	1			41	42
Uganda				18	18
Uruguay				25	25
Venezuela	1			75	76
Vietnam	2			918	920
Yugoslavia				17	17
Zaire	1		1	15	17
Zambia				7	7
Other	2			70	72
TOTAL	234	16 1/	10	9645	9905

1/ This varies from the 26 denials for international students listed in Chapter 5 since 10 applicants denied tuition waivers did not enroll.

APPENDIX VIII

ESTIMATED BENEFIT CALCULATIONS OF ADMINISTRATIVE UNIT

The following discussion details the assumptions made when calculating the estimated benefits of establishing an administrative unit for the processing of tuition waiver requests. This calculation was based on three criteria: additional denials of tuition waiver requests, identification of additional nonresident students, and improved collection procedures.

ADDITIONAL DENIALS OF TUITION WAIVER REQUESTS

The following assumptions were used in arriving at the estimated benefits from increased denials of tuition waiver requests:

- Requests for waivers of tuition will increase by about 25 percent in school year 1986/87, based upon recent years' trends. In school year 1984/85, there were 23 percent more requests received than the previous year. In school year 1985/86, 29 percent more requests were received than the previous year. The average increase in requests for these two years was 26.5 percent. It was assumed that next year's requests will increase 25 percent over the previous year.
- Denials of tuition waivers will increase by at least 5 percent due to more aggressive and penetrating analyses and evaluations of the requests. In school year 1984/85, 3 percent more requests were denied than the previous year. In school year 1985/86, 7 percent more requests were denied than the previous year. The average increase in denials for these two years was 5 percent. It was assumed that 10 percent of next year's requests will be denied, or 5 percent more than the average for the past two years.
- To be conservative, it was assumed that the average annual cost for nonresident tuition will be the out-of-county tuition rate for elementary schools of \$4,312 for school year 1986/87. Comparable rates for kindergarten are \$4,562 and for middle/junior/senior schools are \$4,989.

A computation based on these assumptions leads to estimated benefits from increased denials of tuition waivers of \$176,800 as follows:

654 requests last year @ 125 percent = 827 new requests.

827 requests with 5 percent more denials = 41 students.

41 more students denied @ \$4,312 = \$176,792.

APPENDIX VIII

IDENTIFYING ADDITIONAL NONRESIDENT STUDENTS

The following assumptions were used in arriving at estimated benefits from the identification of additional nonresident students.

- Increased attention and efforts to verify addresses and identify nonresident students should uncover additional nonresident students. It is conservatively estimated that this will approximate 1/10 of 1 percent of the regular enrollment for school year 1986/87 or 91 students.

There is little objective evidence on which to base an estimate of the number of unidentified nonresident students in the school system. An analysis of 69 students with out-of-county addresses disclosed two nonresident students, or 3 percent, who were not paying the required tuition. If this sample were representative of the entire population (which it clearly is not), then there would be 2730 unidentified nonresident students in the school system next year (3 percent of 91,000 regular student enrollment). This number is obviously too high, as is only 1 percent or 910 students. Nevertheless, the results of this review--analyses, observations, and discussions--make it quite apparent that there are an unknown number of nonresident students in the school system. A conservative estimate of 1/10 of 1 percent, or 91 unidentified nonresident students, is assumed to exist in the system.

A computation based on this assumption leads to estimated benefits from the identification of additional nonresident students of \$392,400 as follows:

Estimated 91 additional nonresident students identified
@ \$4,312 = \$392,392.

IMPROVED COLLECTION ACTIVITIES

The following assumption was used in arriving at estimated benefits from improved collection activities:

- Increased attention and improved techniques should assure the collection of nonresident tuition owed, at least equal to the documented amount not collected in school year 1985/86.

A computation based on this assumption leads to estimated benefits resulting from improved collection activities of \$69,000 as follows:

Tuition not collected for 24 students in 1985/86
(\$57,000) and tuition forgiven for 9 students in
1985/86 (\$12,000) as discussed in Chapter 8
of this report = \$69,000.

APPENDIX VIII

A summary of estimated benefits is as follows:

ESTIMATED BENEFITS

Additional denials of tuition waiver requests	\$176,800
Identification of additional nonresident students	392,400
Improved collection activities	69,000

Total Estimated Benefits (added revenue or cost avoidance)	\$638,200

As previously indicated, since the estimated cost of the new administrative unit was shown in Chapter 9 to be \$87,300, the unit would be fully cost-effective even if these estimates of benefits were not fully reached or not reached in the first year or two.